



AGENDA
Committee of the Whole
Monday, April 25, 2016 – 5:30 p.m.
City Council Chambers, City Hall 10th Floor

Councilmember Judi Brown Clarke, Chair
Councilmember Jessica Yorko, Vice Chair

1. **Call to Order**
2. **Roll Call**
3. **Approval of Minutes:**
 - April 18, 2016
4. **Public Comment on Agenda Items**
5. **Discussion/Action:**
 - A.) RESOLUTION - Adoption of 2016-2021 (5)-Year Consolidated Plan CDBG, HOME & ESG For Fiscal Year ending June 30, 2017
 - B.) RESOLUTION – Defined Contribution Plan Restatement
 - C.) RESOLUTION – ACT-3-2016; Sale of Willoughby Park; Placement on August 2, 2016 Ballot
 - D.) Budget
 - Finance Department Budget
 - Budget Review
 - Budget Wrap Up
 - Budget Policies
6. **Other**
7. **Place on File**
 - Letter from W. Hamilton of Aladeon Township; Re: BWL Substation at Scott Park
8. **Adjourn**

The City of Lansing's Mission is to ensure quality of life by:

- I. Promoting a vibrant, safe, healthy and inclusive community that provides opportunity for personal and economic growth for residents, businesses and visitors
- II. Securing short and long term financial stability through prudent management of city resources.
- III. Providing reliable, efficient and quality services that are responsive to the needs of residents and businesses.
- IV. Adopting sustainable practices that protect and enhance our cultural, natural and historical resources.
- V. Facilitating regional collaboration and connecting communities



MINUTES
Committee of the Whole
Monday, April 25, 2016 @ 5:30 p.m.
Council Chambers

CALL TO ORDER

The meeting was called to order at 5:35 p.m.

PRESENT

Councilmember Brown Clarke
Councilmember Jessica Yorko- arrived at 5:49 p.m.
Councilmember Patricia Spitzley- excused
Councilmember Adam Hussain
Councilmember Kathie Dunbar- arrived at 5:37 p.m.
Councilmember Carol Wood
Councilmember Jody Washington
Councilmember Tina Houghton- excused

No quorum at 5:35 p.m.

OTHERS PRESENT

Sherrie Boak, Council Staff
Joseph Abood, Interim City Attorney
Angie Bennett, Finance Director
Jim DeLine, Council Internal Auditor
Randy Hannan, Mayor's Executive Assistant
Elaine Womboldt
Mary Ann Prince
Deb Parrish
Kathy Miles

Public Comment

Ms. Womboldt acknowledged the Council for revoking the liquor license at the last meeting for Fahrenheit Grille.

Council President Brown Clarke pulled item C) –ACT 3-2016 due to a request from Mr. Brett Kaschinske with the Parks and Recreation Department stating the Park Board tabled the request at this time. Once given an update from the Park Board, Council will move forward. Council President Brown Clarke stated that due to lack of quorum the meeting will move to Item D – Budget up on the agenda.

Budget

Finance Department Budget

Ms. Bennett began by outlining her department which included but not limited to taxing, accounting, assessing, budgeting, operations and financial record keeping.

Council Member Wood asked how many vacancies were in the department and how many were filled by temps or filled by contracted employees. Ms. Bennett stated there were 7 FT vacancies and 1 PT. She could not be exact but believed that 1-3 were filled with a temp agency and therefore the balance of 5 would be filled with direct contracts. Council Member Wood asked her to provide the exacts. Council Member Wood asked what the contractual services were in the budget line item, and Ms. Bennett answered that under Accounting it is a partnership with BWL for purchasing, and there are smaller contract with outside agencies for annual cost allocation plans, and audit costs. Council Member Wood noted the recent computer hack that occurred at BWL on April 25th, and asked if there is a potential problem with contracting with them for purchasing and using shared programs, etc. Ms. Bennett noted there would not be a concern because the Administration believes that purchasing does not contain anything that would be a concern, and Council Member Wood asked Ms. Bennett to confirm there are no connections with the BWL servers. Council Member Wood then asked if the City Assessor was under contract, and Ms. Bennett stated no, they had hired a Level 4 Assessor in late December early January, named Sharon Fishman.

Council Member Wood asked what the \$58,000 under Treasury for contractual was for, and Ms. Bennett detailed processing with Comerica for a lock box, agreement with Chase Bank with is an intergovernmental relation that includes Grand Rapids and Flint. Other contracts are for services for the bills and taxes that go out.

The Committee held a brief discussion on the rating system from the audit, and Ms. Bennett noted that the practice is if there are issues they get a letter, and there was not letter or report submitted highlighting any issues for correction of any findings. Council President Brown Clarke asked if there were any documents that noted "Security Findings", and Ms. Bennett again said they got no report. Council Member Brown Clarke asked for a copy of the report, and Ms. Bennett stated she would look into it.

Council Member Wood concluded by asking what Ms. Bennett speculated the liability in the pending cases would be, and Ms. Bennett answered the maximum exposure would be \$150,000.

RESOLUTION - Adoption of 2016-2021 (5)-Year Consolidated Plan CDBG, HOME & ESG For Fiscal Year ending June 30, 2017

Council Member Wood acknowledged an email from "Closing the Digital Gap" that stated they had receive funds from the Community Block Grant in the past, and there is a concern with why they are not funded now. Her second question asked if the position held by Andy Crawford was paid by the Community Block Grant dollars also. Ms. Bennett confirmed that that position is full time with partial funds from Community Block Grant and the other from General fund, which allows her flexibility to work with all neighborhoods.

Mr. Hannan did not have any information on the "Closing the Digital Gap" request, however just spoke to Mr. Bob Johnson with Planning and Neighborhood Development who stated that "Closing the Digital Gap" did not meet their filing requirement or the corrections in regards to monitoring the contract.

MOTION BY COUNCIL MEMBER YORKO TO ADOPTION THE RESOLUTION FOR THE 2016-2021 (5)-YEAR CONSOLIDATED PLAN CDBG, HOME & ESG FOR FISCAL YEAR ENDING JUNE 30, 2017. MOTION CARRIED 6-0.

RESOLUTION – Defined Contribution Plan Restatement

Ms. Bennett informed the Committee that if there are amendments in the last six (6) years, then there is a plan restatement. The changes affect 54-A District Court.

Council President Brown Clarke stated her husband is a Judge in the Court, and asked Law if she should recuse herself. Mr. Abood confirmed that he was assured that judges were not part of this plan, and therefore she does not need to recuse herself from the discussion and vote. Council Member Wood informed the Committee and public that she personally is listed in the plan and therefore will be recusing herself from the discussion and vote, here at Committee and later at the Council Meeting.

Council accepted Council Member Wood request to be recused, 6-0.

MOTION BY COUNCIL MEMBER YORKO TO APPROVE THE RESOLUTION FOR THE DEFINED CONTRIBUTATION PLAN RESTATEMENT. MOTION CARRIED 5-1 RECUSAL.

Budget Review

Ms. Bennett answered a few questions she still had as outstanding. Those being the question on application fees in the building department budget, and those were reviewed and corrected that the application fees apply to the licensed trade, electrical and plumbing, but not to the home owner. There is Wi-Fi access in the office for contractors to use so they would not have the higher fees for paper applications. Ms. Bennett then distributed new budget sheets, pages 121-122; 129-130 which reflects corrections to the Cemetery. After the questions from Council on the difference in fees for residents and non-residents, the Parks Department re-evaluated and changed the fees to:

Two-Grave Monument Lot – Resident \$2,750.00

Two-Grave Monument Lot – Non-Resident \$4,125.00

Mt. Hope Grave Space – Resident \$1,650.00

Mt. Hope Grave Space – Non-Resident \$2,475.00

Budget Wrap Up

Any outstanding questions will be submitted to Finance and addressed at the next Committee of the Whole meeting.

Budget Policies

Council Member Brown Clarke referred the item of review of the Budget Policies to the Committee on Ways & Means on May 4, 2016.

Place on File

Letter from W. Hamilton of Alaideon Township; Re: BWL Substation at Scott Park

MOTION BY COUNCIL MEMBER YORKO TO PLACE THE LETTER ON FILE. MOTION CARRIED 6-0.

Minutes

No action and will be added to the next agenda.

ADJOURN

The meeting was adjourned at 6:15 p.m.

Respectfully Submitted by,

Sherrie Boak, Recording Secretary

Lansing City Council

Approved by the Committee on May 9, 2016



MINUTES
Committee of the Whole
Monday, April 18, 2016
Council Conference Room

CALL TO ORDER

The meeting was called to order at 5:49 p.m.

PRESENT

Councilmember Brown Clarke
Councilmember Jessica Yorko
Councilmember Patricia Spitzley
Councilmember Adam Hussain
Councilmember Kathie Dunbar
Councilmember Carol Wood
Councilmember Jody Washington
Councilmember Tina Houghton

OTHERS PRESENT

Sherrie Boak, Council Staff
Joseph Abood, Interim City Attorney
Mark Dotson, Deputy City Attorney
Kristen Simmons, Assistant City Attorney
Mary Sova
Stan Shuck
Elaine Womboldt
Mary Ann Prince
Dan Doyle
Germaine Redding
Kathy Miles
M Art Hasbrook
Dennis Parker, UAW President
Mark O'Farrell, Michigan Liquor Control Investigator

MOTION BY YORKO TO APPROVE THE MINUTES FROM APRIL 11, 2016 AS PRESENTED. MOTION CARRIED 8-0.

Public Comment

Ms. Womboldt spoke in opposition to Fahrenheit and supported the revocation of the liquor license.

DISCUSSION/ACTION

Hearing on Revocation of Fahrenheit Ultra Lounge Liquor License

Council President Brown Clarke outlined the process instructing the Council to ask questions on clarification and not to state opinions.

This portion of the meeting was documented by a court reporter (see transcript).

Ms. Simmons presented information on the hearing notice from Liquor Control Commission and presented exhibits to the Committee. Those included the hearing notice, the findings of fact from the Cabaret Revocation and a copy of the Liquor License and permits for the four (4) bars. These will be referenced for proof of consideration.

Mr. Doyle on behalf of Peace of Mind LLC, asked for a mutual agreement to suspend the hearing on the revocation of the liquor license to allow for continued discussions, and so they can place the license in escrow.

Mr. O'Farrell went thru the exhibit which was the license and permits. These documents noted it was Class C and Specialty license allowing them to sell beer and wine to be consumed off site, and to sell alcohol to be consumed on site at four (4) bars. Ms. Simmons asked who signed the licenses, and Mr. O'Farrell stated it was signed by Jermaine Redding, sole member of Peace of Mind LLC. These permits were approved by the Liquor Commission. Ms. Simmons asked Mr. O'Farrell what his role was with the show cause hearing. Mr. O'Farrell confirmed he was the investigator assigned to the complaint, in charge of obtaining the licenses from the site, and logging the inventory. His role is between the Commission and the licenses, and his role in the future is based on what the City decides. Ms. Simmons asked his opinion on what an escrow would mean. Mr. O'Farrell informed the Committee that once the establishment is closed for 30 days, by law they could put the license in escrow because they still own and hold the license. Since this establishment has been closed for 30 days, they will need to fill out a form and present to the commission, and it will remain in escrow until any time they want to reopen, then they request for the license to be returned. Ms. Simmons asked how the Council decision on the revocation will impact the Liquor Control. Mr. O'Farrell referenced State Statue 4306.1501 that states upon request of the local legislative body, after notice and hearing will revoke the license on premise for any permit held in conjunction. If the City chooses to revoke the Commission will revoke.

Council Member Wood asked if the if the license is in escrow, and the owner of the license came back to the Liquor Control for use of the license at the same location if they would need local approval or do they get it back automatically. Mr. O'Farrell stated that if they change location they will not need local approval since the license is already issued in that local jurisdiction. Council Member Spitzley asked if the Liquor Control takes into consideration past complaints when considering renewal. Mr. O'Farrell noted with this case the license is suspended, so still active and can be renewed. As of 12 p.m. on this date, Piece of Mind LLC has not applied for renewal, and they have until April 30th. Currently this license is suspended and still active. Council Member Spitzley asked if this hearing would have an impact on the renewal. Mr. O'Farrell stated currently if the applicant wanted to renew they just pay a fee, and government units can object to a renewal, but if there is no objection and they pay the required fees, then it is renewed automatically. Council Member Dunbar asked for the impact on the suspension. Mr. O'Farrell stated that if the City decides not to revoke the license then the Commission will have to determine the status of the suspension.

Council Member Dunbar asked if the process of renewal is impacted by the reason for the suspension. Mr. O'Farrell stated if it is suspended it will need to be renewed, and the

suspension does not allow for the sale of alcohol. There were no fines issued in this case because there was not a violation, it was suspended. Mr. O'Farrell informed the Committee that if the City decided to make an agreement with Mr. Redding that would be a gentlemen's agreement. The Liquor Control regulates, and they are the only ones who hold the license, so unless the Statute allows which it doesn't, the Section does allow for revocation. At the end of the day who can purchase and who cannot is determined by Liquor Control. If the City enters into an agreement with Mr. Redding and it is broken there is no binding on the Liquor Control Commission. Council Member Dunbar asked if the City could restrict who could buy the license if Mr. Redding did put it in escrow. Mr. O'Farrell reiterated that the license is regulated by the Liquor Control. Council Member Dunbar then asked what the going price is for a license in escrow, and Mr. O'Farrell could only cite a ballpark figure, and it would come down to what someone is willing to pay, however in the City currently it could go between \$40,000 - \$60,000. If the license is reverted back to the State then Peace of Mind has no rights.

Mr. Doyle asked Mr. O'Farrell if Liquor Control allows for sale and transfer of a license, if they investigate the sales and if the City approves. Mr. O'Farrell answered that Liquor Control does allow sales or transfers, they do investigate the sale, and in this situation the City would not have approval of the sale. Mr. O'Farrell then provided a flow chart of licenses to the Committee, informing them that the City can have input, but the Commission does not have to agree with their input or recommendation.

Council President Brown Clarke asked Mr. Doyle if he had any objections to the handout, and Mr. Doyle confirmed there are no objections. Mr. Doyle did ask Mr. O'Farrell if there is an escrow account for the sole purpose of selling or transferring. Mr. O'Farrell stated that if the establishment is closed for 30 consecutive days, they have to put in escrow. If the business was for sale it can be active and open. Mr. Doyle then asked if it was transferring to a location off premise would the Liquor Control Commission consider that. Mr. O'Farrell stated it does not have to be considered.

Council President Brown Clarke asked if the license is currently escrowed, and Mr. O'Farrell confirmed it was not escrowed but suspended. Council Member Houghton asked what advantage there is to someone in getting a transferred license. Mr. O'Farrell answered that if they came to the State it would only be \$600 if available. Council Member Houghton asked if the license would go back into the Commission pool if it is revoked. Mr. O'Farrell noted that every 10 years a census is done, and based on the last census the population in Lansing has decreased therefore the City has 76 as their quota, however there are 80 issued with 18 of those in other local units that counts towards the City quota.

Council President Brown Clarke asked if during their inspection when they took the license if there was only beer and wine seized. Mr. O'Farrell stated he inventoried wine, beer and spirits.

Council Member Yorko asked if the establishment is closed for 30 days, do they have to put it in escrow outside of the closure, and Mr. O'Farrell confirmed yes.

Council Member Dunbar asked if they can place the license in escrow while it is suspended, and Mr. O'Farrell stated that in this case all licenses and permits are suspended and they cannot put in escrow during suspension. Council Member Spitzley asked what happens after April 30th, the deadline to renew if it is still suspended. Mr. O'Farrell answered that if the license is not renewed it will no longer be valid. It can be renewed while suspended, and if Mr. Redding wants to follow the process he needs to renew. It would still be suspended, but renewed.

DRAFT

Council Member Hussain asked if the license was renewed during the suspension, and the Liquor Commission meets on the suspension, how long can it be renewed. Mr. O'Farrell stated five (5) years.

Council Member Spitzley asked if the license is revoked or suspended if the owner could allow BYOB. Mr. O'Farrell stated that the suspension does not allow any consumption on site because the licensed area has been suspended.

Ms. Simmons asked Mr. O'Farrell if Council decided to recommend revocation, how long before the State will respond. Mr. O'Farrell stated it would all depend on how quickly it is given to the Liquor Control Commission.

Mr. Doyle asked if the City of Lansing had any liquor licenses available, and Mr. O'Farrell stated the only ones are limited in the DDA.

The City had no further witnesses.

Mr. Doyle and Mr. Redding had no witnesses.

The City Attorney office was satisfied with their side, and Mr. Doyle was satisfied with his side. Mr. Redding then spoke and acknowledged Council for their work, and assured them he will not reopen Fahrenheit and would like to sell the license to a qualified buyer.

Mr. Dotson informed the Committee that the license was in the name of a business that went bankrupt, and the new owner is not interest in lease and so Mr. Redding worked out a trade for the license.

Council Member Wood asked if the lease on the building was up. Mr. Redding stated his lease was up March 13, 2016 and did not extend it.

Council President Brown Clarke detailed for the Committee what their options are, which is 1) do nothing; 2) allow them to put in escrow to allow them to sell or 3) revocation. Ms. Simmons then informed the Committee that their choice at this meeting is to revoke or not revoke. If they chose not to revoke the license it does not limit them from coming back later.

MOTION BY COUNCIL MEMBER WOOD TO RECOMMEND REVOCATION OF THE LIQUOR LICENSE FOR PEACE OF MIND LLC, D/B/A FAHRENHEIT ULTRA LOUNGE AND GRILLE.

Council Member Dunbar asked for clarification that if the license was revoked, it would not go back into the pool for the City quota because the City is already over the limit. Mr. Dotson confirmed, and if the Council revoked the license the Commission would revoke.

ROLL CALL VOTE WAS CALLED FOR. MOTION CARRIED 8-0.

Public comment –

Mr. Abood informed the Committee that he asked for the transcript from the court reported, but not expedite. This will be provided with the exhibits.

Council Member Dunbar stepped away from the meeting at 6:55 p.m.

Ms. Womboldt spoke in opposition of payment to former City Attorney McIntyre, and asked Council to pursue an independent attorney.

Ms. Miles spoke in opposition to payment to the former City Attorney McIntyre.

DRAFT

Council Member Dunbar returned to the meeting at 6:58 p.m.

Ms. Miles asked for transparency and asked Mr. Abood to recuse himself due to connections with Ms. McIntyre.

Mr. Krause offered his 20 years' experience with auto supplies as assistance with any questions or understanding on the NAPA topic on the agenda.

Discussion on City Garage Fleet Service Follow Up (NAPA)

Mr. Gamble referenced an email of information he sent to Council on Friday, April 15, 2016.

Council President Brown Clarke asked if the City inventory is used first, and if the part is not in stock would that be the only time NAPA would order. Mr. Gamble confirmed yes, City inventory first, then if no inventory they would have to reach out and acquire a part.

Council Member Dunbar referenced question 1, and the assumption the computers were going to be provided by NAPA, that is why Council asked if they were compatible. There was an understanding of the start-up cost breakdown for the garage which in the answer to question 8 is stated at \$750. Therefore is the amount in the answer to question 8 the only cost.

Council Member Yorko stepped away from the meeting at 7:05 p.m.

Mr. Gamble stated that is the only hard cost along with personnel time. There is no out of pocket cost involved to establish, and the security was already planned before NAPA. Council Member Dunbar asked specifically then if there was no cost incurred for computers. Mr. Gamble agreed, to the best of his knowledge.

Council Member Dunbar asked Mr. Parker if there are new computers in the fleet garage, and Mr. Parker confirmed there was, however he has not seen the invoice. Council Member Dunbar noted that in the NAPA performance computer are listed. Mr. Gamble stated he has not seen an invoice, and referred to the direct cost for outside of the NAPA contract, therefore he believes the charges are in connection with the NAPA contract.

Council Member Dunbar read question 8, and asked outside of the costs noted at \$750, is it safe to assume the costs are startup costs in the contract. Mr. Gamble stated his agreement with the assumption but has not seen invoices. Council Member Dunbar noted to Mr. Gamble there would be work orders and purchase orders for the parts purchased before the switch to NAPA and lower than the parts purchased after the switch. Mr. Gamble was asked for a breakdown at which point stated there were costs that could save the City. Council wants an actual invoice that shows the purchase, and since there has been no invoice provided, they are sure of the actual costs. Mr. Gamble was asked what the proof is that the City is saving money. Based on the information provided it appears that the cost has increased some 105%, 34.7%. There were some that the prices were the same, but Mr. Gamble was asked what can be done. Mr. Gamble stated he was confident that differences will be negated. Some vendors didn't recognize that NAPA is the contract as they can obtain as the City for a government discount. Mr. Gamble acknowledged that not all will be at less costs, but there are many example of why they cost less. This is the ability to save fleet services fund money and support the personnel. In the 2017 FY budget they are proposing 2 new mechanics in fleet service.

Council President Brown Clarke asked with the corporate size of NAPA, how they could not get bulk purchase cheaper. Mr. Gamble confirmed it is a national contract and the City wants to leverage the purchasing. Council Member Spitzley asked why they have not implemented it

DRAFT

now, and Mr. Gamble stated they have to sell off the current inventory. During the transition time, some costs not honored by local vendors.

Council Member Yorko returned to the meeting at 7:17 p.m.

Council Member Spitzley asked if we are depleting the existing inventory why then paying ourselves. Mr. Chad described that practice that the City buys and keeps on hand \$1.4 million every year. We have already paid cash for the parts, now are then dispensing to the mechanics. Once depleted then the transition begins. NAPA is using inventory and selling it back. Council Member Dunbar added to the conversation that when the fleet service purchases the item, then a department uses it for their equipment it is charged back to that department. Council Member Dunbar then stated she wanted to verify prices on the submitted inventory spreadsheet to see if they are cheaper with NAPA.

Council Member Dunbar asked why in the contract the salary range in the garage is \$135,000 for salary and fringe. Mr. Gamble stated there is a variable on fringes which covers health care, disability, life insurance, workers compensation, pension, retiree health care, and prefunding of health care, at \$52,000 per person. Council Member Dunbar asked if it totals \$104,000 for pre funded health care. Mr. Gamble stated it was determined by Finance to allocate long term. Council Member Dunbar stated it is not fair to consider on fringe, because it would be paid no matter what even if NAPA was not there. Council President Brown Clarke noted \$60,000 cost savings which would allow adding two new positions. Mr. Gamble stated there are two components to the cost savings they are looking to seek. One is the personnel savings, what is not even contained on this sheet is the cost savings by use of NAPA national purchasing power. Some parts are \$100 cheaper, and at year end they will have a report of the true savings which will be what comes in and what goes out. The cost savings is making sure we are fixing fleet more expeditiously. Council President Brown Clarke asked if a study was done with time on task that stated the garage was understaffed. Mr. Gamble stated the generally accepted standards on how many mechanics per rolling stock, based on type of vehicles working on. 1 mechanic per 40 in stock. Council Member Brown Clarke noted that it was determined an assessment that the garage was understaffed. Mr. Gamble stated that was done by his predecessors in 2006. Council Member Dunbar stated that by saving money on parts they could hire 2 mechanics. The 2016 projection was \$254,000, proposed for 2017 \$331,000. It appears everything has gone up, so where are savings from NAPA being transferred into salaries. Mr. Gamble stated they anticipate the needs for fleet and there are necessary repairs. Costs will increase the level of effort to repair a plow not just one day project for routine maintenance, therefore they want to budget accurately. The administration believes there are cost savings at the end of the year.

Council Member Dunbar reminded Mr. Gamble that the last time he was before Committee it was noted that the contract with a 5 year projection gets NAPA 3% every year, however the Union does not get 3% each year. Council Member Dunbar then asked for a cost out projected for keep the current employees, and overtime currently because they cannot project out savings costs for NAPA without projecting for the City. These are expenses that NAPA does not pay but the City pays. The NAPA net profit is 8.2% based on projected parts sale on the percentage guaranteed in the contract. There is a \$14,272 management but the City covers expenses and revenue, so Council Member Dunbar asked what the management fee on top of all of this is for. There is no profit less expenses to them since we pay it, and why do we pay it. Mr. Gamble pointed to the spreadsheet and its confusion, that this relationship is no different than any other contract with the City. It provides for a service, all those costs are paid for by the City, there is always a profit, but the translation of the cost is not clear.

DRAFT

Council President Brown Clarke pointed out that the City could use NAPA as the store where we purchased our parts, so why would Administration sign a contract for service, taking over the store, when the City is still responsible for all of it, with no cost savings for the City. Mr. Gamble answered that he had already covered that.

Council Member Dunbar reminded Mr. Gamble that the City has contracts with tree trimmers, lawn crews for code compliance, however the City does not buy their trucks or mowers. Why in this case does the City carry all the costs. Mr. Gamble stated it is in order to repair vehicles in time for customers, so they had to make a difficult choice. The Administration anticipates continuing.

Mr. Parker confirmed the City calls for 27 mechanics, are there are currently 14. Council Member Wood asked Mr. Gamble how long the mechanic positions have been vacant, and Mr. Gamble could not provide the exact dates. The department has not started the process with HR yet, and hoping for approval with the budget from Council and then do four (4) mechanics at one time. Council Member Wood advised Mr. Gamble that if there are two (2) vacant positions the department should be working now to fill those positions. Mr. Gamble answered by stating that they are trying to be fiscally conservative and so slowly increasing that to address the positions. Mr. Gamble continued by adding that to be more efficient, they are looking at the whole garage.

Council Member Wood referenced situations with NAPA employees sleeping on the job, or not finding parts. Mr. Gamble stated all workers are hardworking and sometimes make mistakes.

Council President Brown Clarke asked what the cost savings assessment is, and what is seen as an annual review process on a 5 year contract. If we do not see they are performing as expected, do we have ability to negotiate or breach the contract.

Council Member Wood stepped away from the meeting at 8:03 p.m.

Mr. Gamble confirmed the contract has a two year time frame then renewable. If NAPA cannot demonstrate to be more efficient and save the City money, then there will be no reason for the City to be in a contract with them. Therefore Mr. Gamble believes it is critical to NAPA to deliver on their corporate structure. Council President Brown Clarke asked for the formal review process and if it is annual or biannual in the contract or agreement. Mr. Gamble confirmed it is an annual process, and informal monthly.

Council Member Wood returned to the meeting at 8:06 p.m.

Council Member Dunbar pointed out to Mr. Gamble that the Council still does not have a signed executed contract with effective date. Law was asked and they were not able to find one in their system that was not draft. It appears it is a two year agreement that Council has not been provided with. Also it was noted that there is no termination date in the contract, or performance measures. Mr. Gamble stated he would look for it, review it and provide it to Council. The term of 2 years is an understanding. There are no performance measures and only one contract, the NJPA contract and the amendment that specifically addresses the City.

Council Member Dunbar asked if the NAPA employees are mechanics. Mr. Gamble admitted some are and some aren't. Council President Brown Clarke asked if they plan to cross train because there are current City employees that could fill the positions. Mr. Gamble confirmed they have considered it but stated his belief that some things make it difficult to cross train.

DRAFT

Council Member Wood asked if anyone has met with the vendors about discounting parts. Mr. Gamble admitted it is an ongoing process. This could be 100-200 vendors, but with NAPA they do that for us.

Mr. Crouse was asked questions by the Committee including if the City ever contacted him as a vendor to decrease their costs. Mr. Crouse admitted there was never a discussion with him as a potential vendor. Mr. Crouse stated he is with Auto Value, and they are the 6th largest in the Nation, based in Grand Rapids and their corporate headquarters are in Lansing, along with 4 stores. The City does currently purchase with them.

Council Member Spitzley noted that when looking for an audit or review, it is open ended with no end date. Nothing allows for review or audit or requires NAPA to consent to a review or audit. This then makes it hard to determine if there is a return on investment.

Council President Brown Clarke acknowledged that Mr. Gamble believes there is an implication of an annual audit, but since there is nothing in writing, Mr. Gamble needs to get with NAPA and put it in writing. Mr. Gamble acknowledged he did negotiate it, but he feels confident with the current structure that NAPA as part of their corporate structure and their objective will demonstrate cost savings, so there is no need for it to be in writing. Council President Brown Clarke asked for proof there is language that will hold them accountable, because if Mr. Gamble is no longer with the City there is no language to hold NAPA accountable. Mr. Gamble again disagreed and stated there was no need to meet with them.

Council Member Dunbar referenced for Mr. Gamble other municipalities contracts that specifically stated NAPA had to justify their savings and performance measures.

Council Member Wood asked what budget lines items will cover the NAPA contract, and Mr. Gamble confirmed it would be the contractual line item and equipment/repair and maintenance.

Council Member Washington asked Mr. Abood if the City Attorney office drafted the contract. Mr. Abood stated they approved it to form, review it for form and converted it from lease to license. The license can be terminated at will. Council Member Dunbar asked whose will. Mr. Abood confirmed any party can terminate, and Council Member Brown Clarke then asked if it can be done without cause. Mr. Abood stated that pursuant to the terms of the contract. There could be a scenario if there are no funds which is why it is a license which has an at will clause.

Budget – City Council and Internal Auditor

Mr. DeLine reviewed the budget for Council for FY2017, and pointed out the differences in the budget from what was submitted by Council offices. This included \$1,548 increase in fringe, reduction of \$27,000 in Information Technology based on how Finance allocated the funds and changes in the mix of hardware and software. There was also a \$2,950 reduction in the telephone due to allocation method. There was an increase added to the miscellaneous account for the Internal Auditor for training. Council Member Houghton asked why the increase in Fringe, and Mr. DeLine stated those are from FICA and SS for Council Members. Council Member Houghton then asked about the line item for Temporary Help. Mr. DeLine stated this has been used for temporary help in the past and could be used for the temporary help for the Internal Auditor. Council President Brown Clarke added it is leaderships plan to use that line item for a temporary auditor when Mr. DeLine's contract is up and they fill the position.

DRAFT

Discussion on City Attorney Issues

Council President Brown Clarke asked Mr. Hannan if his office had located the 2015 extension for Ms. McIntyre, and Mr. Hannan stated no. Council President Brown Clarke asked if Mr. Hannan believed it was ever signed and just not available. Mr. Hannan's belief is that all contracts were signed and executed but not filed in the Clerk's office. Council President Brown Clarke asked if any 2015 contracts for Executive Leaderships were filed. Mr. Hannan stated that could be the case, they are still trying to locate, and have asked executives to provide a copy to the Administration if they had made a copy for their files. Council President Brown Clarke asked if there is a time table when the Administration stops looking and determines they were never signed. Then asked Mr. Hannan if it is his understanding that is why the separation agreement was crafted and the severance package was issued because Ms. McIntyre was not a formal City of Lansing employee. Mr. Hannan stated the contract was not why separation was created, but understand that the contract was signed. Mr. Hannan's belief is that all contracts were signed and Ms. McIntyre was a formal employee. Council President Brown Clarke asked Mr. Hannan if the attorney hired was to represent the City or the Mayor. Mr. Hannan deferred that question to the City Attorney, however stating his belief that outside counsel represented the City.

Council Member Washington stepped away from the meeting at 8:47 p.m.

Council President Brown Clarke referenced a voice mail from Mr. Gordon with Dykema Gossett that stated he represented the Mayor. Mr. Hannan stated at that point that Mr. Gordon clarified in writing that he was referring to the Mayor not as a person, but Mayor of the City of Lansing.

Council President Brown Clarke then asked Mr. Abood, as City Attorney for the City Council, what his position was for representing the City. Mr. Abood referred to the Charter, assuring Council that the City Attorney represents City Council and Administration the legislative branch. Council President Brown Clarke then referred to an earlier conversation prior to the meeting with Mr. Abood and asked him to share any conflicts he thought there was. Mr. Abood stated the City Attorney office recused themselves in regards to the scope of representation from Ms. Janene McIntyre.

Council Member Washington returned to the meeting at 8:49 p.m.

Mr. Abood confirmed that they could not negotiate a separation agreement so they recused themselves. Council President Brown Clarke asked Mr. Abood if he was a part of any negotiations, privy to any conversations for the separation agreement or ever physically in the room during any discussion. Mr. Abood stated no to all questions.

Council President Brown Clarke then referenced the fact that there is no 2015 contract extension for Ms. McIntyre, Ms. McIntyre attorney has stated should could not affirm or deny she signed it, and therefore the City does not have anything in writing that confirms she was an employee at the time the separation agreement was signed. Mr. Abood asked what kind of clarification Council wants and it would depend on the questions. If the City Attorney cannot answer the question due to conflict, they would get outside counsel. To look for other forms of verification on if Ms. McIntyre was an employee at that time, Mr. Abood stated they could look at pay considerations, what hours did she present, what did she do to be active, and if they cannot find an exact signed contract they could look at other evidence. Mr. Abood stated this may have to be done with other executives who can't find their contract either. Council President Brown Clarke asked the rest of Council what their desire was at this time to proceed. Council Member Hussain voiced his concern with the contract and separation based on contract. Mr. Hannan was asked again who is responsible to get the contract to clerk, and

DRAFT

who is being reprimanded, along with what plan in place to make sure this does not happen again. Mr. Hannan stated the normal protocol, developed by HR and Law, is it is the responsibility of each Department to obtain the signatures and place on file with the Clerk's office. In this particular instance Mr. Hannan was not sure if it was Law or HR. No one at this time is being reprimanded because the personnel involved unknowns at this time.

Council Member Wood asked if there was an extension to Ms. McIntyre contract extension to the 2015 employment agreement. Mr. Hannan confirmed his understanding that all contracts were extended and executed. Council Member Wood noted that most contracts are done IN December, but in June HR was still not filled, so did Ms. McIntyre get an extension. Mr. Hannan stated again that all were signed. In response to future plans, Mr. Hannan referenced the new ONBASE contract program.

Council Member Wood asked Mr. Abood about the Dykema invoice and missing pages on the tally of hours and hours utilized. Mr. Abood confirmed the invoice was located and is being provided to a FOIA request. Council Member Wood asked that all FOIA requests that are given to the media or individuals be provided in copy to her in addition to any denials. Council President Brown Clarke asked that everything be forwarded to Ms. Boak who will forward to all of Council.

Council Member Wood asked if Dykema Gossett could be brought in. Mr. Abood confirmed that Council could bring in assistance from any attorney to ask questions on work that they did as long as not a privileged or a conflict. Council Member Houghton asked if there would be a cost. Council President Brown Clarke asked if they could ask Dykema any questions or would Law guide Council. Mr. Abood stated it would be determined by the attorney handling the matter to make that determination.

Council Member Washington noted her frustration with what occurred and stated Council needs to get answers so it doesn't happen again.

Council Member Spitzley agreed on needing answers on the agreement, how it was entered into and how tax dollars are spent. Council needs options on what to do next. Council does not have the authority to get outside counsel since the Charter states the Mayor has the sole discretion to contract out. It appears the agreement entered into does not have anything to do with the missing contract, it was outside the scope of the policy and contract. Council cannot hire investigators or outside counsel, per the charter and city attorney. Council Member Spitzley concluded by stating that the City Attorney can start coming regularly to address pending litigation and pending agreements, so Council will have some indication of what is going on.

Council Member Wood informed the rest of the Committee that Ways and Means has asked Mr. Abood to look at an ordinance on the ability to review agreements and contracts, similar to when Council reviewed the Executive Management Plan.

Council President Brown Clarke asked Mr. Abood if Council can request Dykema Gossett attend the next meeting. Mr. Abood stated he would contact Mr. Gordon on his availability to present to Council and will report back. Council Member Brown Clarke asked for that response within 48 hours.

Council Member Yorko stepped away from the meeting at 9:23 p.m.

DRAFT

May 2, 2016 was offered as a date for Mr. Gordon to present to Council.

The letter from Causeway was requested to Law to be entered into as part of the formal hearing on the revocation of the Liquor License for Fahrenheit.

Council Member Yorko returned to the meeting at 9:26 p.m.

ADJOURN

The meeting was adjourned at 9:26 p.m.

Respectfully Submitted by,
Sherrie Boak, Recording Secretary
Lansing City Council
Approved by the Committee on

SUMMARY - FUNDING ALLOCATIONS
FIVE –YEAR CONSOLIDATED PLAN 2016-2021 (7/1/16 -6/30/21)
ANNUAL ACTION PLAN HUD FY 2016 /CITY FY 2017 (7/1/16 – 6/30/17)

CITY OF LANSING COMMUNITY DEVELOPMENT OBJECTIVES

The primary objective of Lansing's Housing and Community Development Program is the development of a viable community which will provide standard housing in a suitable living environment, principally to benefit low and moderate income persons, preserve and expand existing businesses and industries, and create an atmosphere conducive to stability in neighborhoods. Specific objectives are enumerated as follows:

- a. Provide standard housing in a suitable living environment through rehabilitation, new construction and improvement of the housing stock primarily in CDBG eligible neighborhoods and in specifically designated housing target areas.
- b. Provide housing counseling and assistance that will benefit low and moderate-income households.
- c. Promote home ownership for low and moderate-income households and promote deconcentration of poverty.
- d. Maintain at current levels the number of public and assisted housing units available to low and moderate-income households.
- e. Provide homeless prevention assistance, emergency shelter, re-housing assistance and supportive human services for people with special needs, people who are homeless and those at risk of becoming homeless.
- f. Provide assistance for permanent supportive housing and human services for low and moderate income households with a history of chronic homelessness, including those with special needs.
- g. Promote economic opportunity for low and moderate-income individuals by facilitating economic development, providing employment opportunity, sponsoring job training, supporting business development, micro-enterprise lending and business or financial educational programs and initiatives.
- h. Promote economic development to provide jobs, business services and shopping opportunities for residents located in CDBG eligible areas.
- i. Provide community and neighborhood services, recreational opportunities and public facilities and promote neighborhood social cohesion to improve the quality of life in CDBG eligible neighborhoods.
- j. Increase security and safety in neighborhoods by supporting public safety and crime prevention initiatives, public educational programs and citizens' awareness in CDBG eligible areas.
- k. Improve the city's transportation, public facilities and infrastructure systems in CDBG eligible areas.

- l. Protect and improve the city's physical environment, including preventing or eliminating blight, removing lead or other safety hazards, preserving historic resources, mitigating flood hazards, promoting healthy housing and improving energy fitness in housing occupied by low and moderate-income households.
- m. Promote fair housing objectives.
- n. Provide affordable housing and economic development that benefits low and moderate income people in the context of mixed use development along transit corridors.

**PROPOSED COMMUNITY DEVELOPMENT BLOCK GRANT
ACTIVITIES AND USE OF FUNDS
FIVE –YEAR CONSOLIDATED PLAN 2016-2021 (7/1/16 -6/30/21)
ANNUAL ACTION PLAN HUD FY 2016 /CITY FY 2017 (7/1/16 – 6/30/17)**

CDBG Single-family, Owner-Occupied Rehab Program/Public Improvements

Includes loans and grants for rehabilitation of owner-occupied housing units through city sponsored programs, and in conjunction with affordable housing efforts sponsored by nonprofit housing corporations and other state and federal agencies. Includes funds to meet lead hazard reduction regulations in rehabilitated structures, funds to assist in emergency housing rehabilitation, market analysis activities and technical assistance to nonprofit housing corporations, contractors, and low- and moderate-income households. Includes loans and grants for owner-occupied single-family units through city sponsored programs, loans to rehabilitate historic homes in conjunction with rehabilitation of the unit, and loans or grants for ramps, hazard remediation or weatherization. Includes staff, office space, technical assistance, training and other direct project costs associated with delivery of Community Development Block Grant, HOME, Emergency Solutions Grant and other State and Federal Programs. 18 housing units estimated. Additional units may be completed with prior year funds.

General street, sidewalk, water/sewer improvements, including assistance to income eligible owner-occupants or those in CDBG-eligible areas for special assessments related to new improvements. Includes improvements to neighborhood parks, recreational facilities; public neighborhood, medical and community facilities in CDBG priority areas. Some improvements may be made with prior years' funds

Five-Year Consolidated Plan	\$5,119,985
Annual Action Plan	\$1,023,997

CDBG Rental Rehab Program/Weatherization

Includes loans and grants for rehabilitation of rental housing units through city sponsored programs. Includes funds to meet healthy housing standards and/or lead hazard reduction regulations in rehabilitated structures. 6 units estimated.

Includes financing of an Energy Fitness Program and/or Energy Optimization Program to benefit low and moderate-income households, 54 housing units estimated with current funding. Additional units may be completed with prior year funds

Five-Year Consolidated Plan	\$250,000
Annual Action Plan	\$ 50,000

Acquisition

Includes acquisition, maintenance and security of properties acquired through programs, and activities related to acquisition, disposition, relocation and clearance of dilapidated structures. Funds may also be used to acquire properties in the flood plain. Includes staff time associated with this activity. 1 housing unit estimated. Prior year funds may be used.

Five-Year Consolidated Plan	\$ 5,000
Annual Action Plan	\$ 1,000

Public Services (limited to 15%)

Includes homeownership counseling, education, neighborhood counseling, youth and senior programs, neighborhood clean-ups, community gardens, home repair classes, tool lending programs, employment training, and community safety. Services are for low- and moderate-income individuals and/or those in CDBG-eligible areas located within the Lansing city limits.

Five-Year Consolidated Plan	\$ 1,389,295
Annual Action Plan	\$ 277,859

Economic Development

Loans, technical assistance and training to low- and moderate-income owners of and persons developing micro-enterprises within or planning to locate within the Lansing city limits. (A micro-enterprise is a business with five or fewer employees, including the owner(s).) Estimate 8 people trained and 4 loans issued. Prior year funds may be used.

Technical assistance to individuals and for-profit businesses including workshops, technology assistance, façade improvement loans/grants, market analysis, business promotion, referrals for the attraction of new business and expansion of existing business within CDBG-eligible areas of Lansing. Estimate 36 individuals and 4 businesses assisted.

Creation of jobs to benefit low and moderate-income city of Lansing residents. Estimate 3 jobs

Five-Year Consolidated Plan	\$645,300
Annual Action Plan	\$129,060

CDBG General Administration (limited to 20%)

Includes staff and other costs associated with preparation of required Consolidated Planning documents, environmental clearances, fair housing activities and citizen participation activities associated with the delivery of CDBG, HOME and other state and federal programs.

Includes planning and general administration costs associated with delivery of CDBG and other state and federal programs. Includes indirect administrative costs and building rent paid to the city.

Five-Year Consolidated Plan	\$ 1,852,395
Annual Action Plan	\$ 370,479

CDBG Allocations

Total Five-Year Consolidated Plan	\$ 9,261,975
Total Annual Action Plan	\$ 1,852,395

PROPOSED HOME PROGRAM ACTIVITIES AND USE OF FUNDS **FIVE –YEAR CONSOLIDATED PLAN 2016-2021 (7/1/16 - 6/30/21)** **ANNUAL ACTION PLAN HUD FY 2016 /CITY FY 2017 (7/1/16 – 6/30/17)**

Down Payment Assistance

Funds provided to homebuyers for down payment and closing costs for purchase of a single-family home located within the Lansing city limits. Up to \$15,000 will be available as a 0% interest second mortgage for homebuyers with income at or below 80% of median income. Assistance not limited to first-time homebuyers. May include staff time and/or homeownership counseling fees associated with this activity. Estimate 12 housing units. Prior year funds may be used.

Five-Year Consolidated Plan	\$ 328,080
Annual Action Plan	\$ 65,616

New Construction/HOME Rehab/Development Program

Includes funds for loans and grants for housing construction and rehabilitation.

HOME funds allocated for housing developed in partnership with the city, including Supportive Housing Program (SHP) and Acquisition, Development and Resale (ADR) activities. Projects may include new construction and rehabilitation activities with non-profit and for-profit developers, including CHDOs. Funds may be used for staff time associated with these activities. 2 housing units estimated in conjunction with partners. Additional units may be completed with prior year funds

Also includes loans and grants for rehabilitation of at least 2 owner-occupied housing units.

Five-Year Consolidated Plan	\$1,673,200
Annual Action Plan	\$ 334,640

CHDO Set-aside (15% minimum required)

HOME Program set-aside reserved for housing developed, sponsored or owned by CHDOs in partnership with the City. 1 unit estimated. Prior year funds may be used.

Five-Year Consolidated Plan	\$ 428,845
Annual Action Plan	\$ 85,769

Community Housing Development Organization (CHDO) Operating (limited to 5%)

Funds reserved at option of the City to provide operating funds to CHDO's utilizing the City's HOME funds to produce affordable housing in the community.

Five Year Consolidated Plan	\$142,950
Annual Action Plan	\$28,590

HOME General Administration (limited to 10%)

Includes staff and general administration costs to deliver the HOME program.

Five-Year Consolidated Plan	\$ 285,895
Annual Action Plan	\$ 57,179

HOME Allocations:

Five-Year Consolidated Plan	\$ 2,858,970
Annual Action Plan	\$ 571,794

**EMERGENCY SOLUTIONS GRANT (ESG) PROGRAM ACTIVITIES
AND USE OF FUNDS**

**FIVE –YEAR CONSOLIDATED PLAN 2016-2021 (7/1/16 -6/30/21)
ANNUAL ACTION PLAN HUD FY 2016 /CITY FY 2017 (7/1/16 – 6/30/17)
FINANCE COMMITTEE OF GLHRN TO MAKE RECOMMENDATION ON
DISTRIBUTION OF ESG FUNDS AT THE 3/10/16 MEETING**

Street Outreach

Funds provided for Street Outreach activities

Five-Year Consolidated Plan	\$ 50,000
Annual Action Plan	\$ 10,000

Homeless Prevention

Funds provided to prevent homelessness

Five-Year Consolidated Plan	\$ 250,000
Annual Action Plan	\$ 50,000

Administrative Activities (limited to 7.5%)

Funds provided to offset the cost of administering emergency solutions program.

Five-Year Consolidated Plan	\$ 62,940
Annual Action Plan	\$ 12,588

Shelter Operation

Funds provided to shelter providers to cover cost of maintenance, operations, insurance, utilities and furnishings in shelter facilities.

Five-Year Consolidated Plan	\$ 476,265
Annual Action Plan	\$ 95,253

ESG Allocations:

Five-Year Consolidated Plan	\$ 839,205
Annual Action Plan	\$ 167,841

SUMMARY

Estimated Five-Year Consolidated Plan and Forty Second Year Community Development Resources

Program	Annual Action Plan	Five-Year Consolidated Plan
CDBG Entitlement Grant:	\$1,852,395	\$9,261,975
HOME Program Funds	\$ 571,794	\$2,858,970
ESG Program Funds:	\$167,841	\$839,205
TOTAL	\$2,592,030	\$12,960,150

Administrative, management and operation costs for the above programs include the administration, management and operations of the eligible activities, **as well as other federal and state community development programs in which the city is now or may be participating.**

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires that the City of Lansing submits a Consolidated Plan every five years and an Action Plan yearly in order to receive Community Development fund resources, including Community Development Block Grant (CDBG), HOME and Emergency Solutions Grant (ESG) program funds; and

WHEREAS, the City of Lansing Five-Year Consolidated Plan, 2016-2021 and its Annual Action Plan, 2016-2017 for the upcoming; and

WHEREAS, the CDBG, HOME and ESG entitlement amount allocated to Lansing for the upcoming fiscal year beginning July 1, 2016-June 30, 2017 is \$2,592,030; and

WHEREAS, pursuant to program requirements, the City has conducted a citizen participation and open review process which has included planning consultations and meetings with neighborhood groups, housing and supportive service providers, the State and neighboring local governments; and

WHEREAS, the City has further promoted participation, input and review in the process by conducting three (3) community forums, an on-line survey, two (2) separate advertised public hearings before the Lansing Planning Board, one on December 1, 2015 regarding housing and community development needs and one on February 2, 2016 regarding proposed program objectives and projected use of Federal entitlement and formula program funds; and

WHEREAS, the City did also initiate and carry out the required thirty (30) day public comment period on the proposed Consolidated Plan, 2016-2021 and 2016-17 Annual Action Plan by publishing a summary of the plan in the Lansing City Pulse March 9, 2016; and

WHEREAS, a public hearing was held by the Lansing City Council on April 11, 2016, to again receive citizen comments and recommendations and to give final review to the Consolidated Plan and Annual Action Plan; and

WHEREAS, Federal regulations require the City to make certain certifications and assurances to HUD as a part of the City's application,

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lansing adopts the Five-Year Consolidated Plan, 2016-2021 and Annual Action Plan, 2016-2017 for the City of Lansing that includes housing and community development goals, objectives and strategies, and the budget for the use of

community development fund resources as proposed by the Committee on Development and Planning; and

BE IT FURTHER RESOLVED that the Mayor, as the City's Chief Executive Officer, is hereby authorized to sign the Consolidated Plan and Annual Action Plan application for FY 2016-2021 and 2016-2017 respectively, including all understandings, assurances and certifications contained therein, and to submit the grant application to the Department of Housing and Urban Development; and

BE IT FINALLY RESOLVED that the Mayor is authorized, as the official representative of the City of Lansing, to set-up budget line items, provide any and all information, to act in connection with the Consolidated Plan and Annual Action Plan application and to execute all agreements, contracts and legal documents, including the agreement between the City and the Department of Housing and Urban Development, to secure CDBG, HOME and ESG funding and implement the CSPS programs.



Virg Bernero, Mayor

OFFICE OF THE MAYOR

9th Floor, City Hall
124 W. Michigan Avenue
Lansing, Michigan 48933-1694
(517) 483-4141 (voice)
(517) 483-4479 (TDD)
(517) 483-6066 (Fax)

TO: City Council President Judi Brown Clarke and Councilmembers

FROM: Mayor Virg Bernero

DATE: 4-7-16

RE: Defined Contribution Plan

The attached correspondence is forwarded for your review and appropriate action.

VB/rh
Attachment



City of Lansing
Inter-Departmental
Memorandum



To: Virg Bernero, Mayor

From: Angie Bennett, Finance Director

Subject: CITY COUNCIL AGENDA ITEM - Defined Contribution Plan

Date: 4-7-16

Please forward this resolution to City Council for placement on the Agenda.

If you have any questions, or need additional information, please give me a call.

Attachments

RESOLUTION
CITY OF LANSING DEFINED CONTRIBUTION PLAN
GOVERNING COMMITTEE

WHEREAS, the City of Lansing ("City") has established the City of Lansing Defined Contribution Plan and related trust (collectively referred to as the "Plan") for the benefit of employees of the City; and

WHEREAS, the Plan is required by the Internal Revenue Service (IRS) to be restated every five (5) years in order to incorporate any plan amendments made within the past five (years); and

WHEREAS, the Plan was amended in December, 2014 to include new Plan participants for Teamsters Local 214 Supervisory and Non-supervisory, Teamster Local 243 (formerly Local 580), 54-A District Court, Supervisory, and Clerical, Technical, and Professional employees; and

WHEREAS, the 54-A District Court is an Adopting Employer of the Defined Contribution Plan;

NOW, THEREFORE BE IT RESOLVED that the Governing Committee hereby adopts the Plan restatement as outlined in the Volume Submitter Defined Contribution Trust Agreement and Adoption Agreement 001.

Dated: 4/5/2016

CITY OF LANSING

By: Wm L Barkman

Its: CHAIR PERSON

**ADOPTION AGREEMENT NO. 001 FOR THE
VOLUME SUBMITTER DEFINED CONTRIBUTION PLAN**

Sponsored by

FOSTER SWIFT
FOSTER SWIFT COLLINS & SMITH PC || ATTORNEYS

ARTICLE I - EMPLOYER AND BASIC PLAN INFORMATION

1.1 Employer Information:

This Item 1.1 should be completed based on the primary Employer if more than one entity is adopting this Plan. Each adopting entity in addition to the primary Employer may adopt this Plan by executing the signature page of this Adoption Agreement.

(a) Name, Address and Telephone Number:

City of Lansing
City Hall, 5th Floor
124 W. Michigan Avenue
Lansing, MI 48933
(517) 483-4500

(b) Employer Identification Number (EIN): 38-6004628

(c) Type of Entity:

- | | | | |
|--------------------------|--------------------------|-------------------------------------|--|
| <input type="checkbox"/> | Corporation | <input type="checkbox"/> | Limited Partnership |
| <input type="checkbox"/> | Professional Corporation | <input type="checkbox"/> | Limited Liability Company |
| <input type="checkbox"/> | Subchapter S Corporation | <input type="checkbox"/> | Professional Limited Liability Company |
| <input type="checkbox"/> | 501(c)(3) Organization | <input checked="" type="checkbox"/> | Governmental Unit |
| <input type="checkbox"/> | Other Nonprofit | <input type="checkbox"/> | Indian Tribe |
| <input type="checkbox"/> | Sole Proprietorship | <input type="checkbox"/> | Farmer's Cooperative |
| <input type="checkbox"/> | Partnership | <input type="checkbox"/> | Other: (must be a legal entity recognized under federal income tax laws) |

(d) Employer's Fiscal Year End: June 30

(e) Affiliated Employers:

- (1) ☐ The Employer is not a member of an affiliated group of employers.
- (2) ☒ The Employer is a member of a controlled group of corporations and/or an affiliated service group (within the meaning of Code Section 414(b), (c), (m) or (o)).

1.2 Other Participating Employers: The term "Employer" includes each entity that is listed below.

- (a) ☐ Not applicable. The Employer that is named in Item 1.1(a) of this Adoption Agreement is the sole participating entity.
- (b) ☒ Each entity that is listed below shall participate in this Plan, and the Employees of such entity shall be treated as Employees who are eligible to participate in this Plan in accordance with Article III of this Adoption Agreement and Section 3.1 of the Basic Plan Document.

Participation by the listed entity(ies) shall constitute:

- (1) ☒ a single employer plan (*i.e.*, all participating entities are members of the same controlled group or affiliated service group (within the meaning of Code Section 414(b), (c), (m) or (o))); or
- (2) ☐ a multiple employer plan (*i.e.*, at least one of the participating entities is not related to any other entity that participates in the Plan).

1.3 **Plan Information:**

(a) **Name of Plan:** City of Lansing Defined Contribution Plan

(b) **Effective Date:**

- (1) ☐ **New Plan.** The Employer hereby establishes the (the "Plan") in the form of the Foster, Swift, Collins & Smith, P.C. Volume Submitter Defined Contribution Plan as promulgated by Foster, Swift, Collins & Smith, P.C. (the "Volume Submitter Sponsor") effective as of (the "Effective Date"). *(If Item 1.3(c)(1) or Item 1.3(c)(3) is selected below, the Effective Date may not be earlier than the first day of the first Plan Year during which the Plan is formally adopted by the Employer. If Item 1.3(c)(2) is selected below, the Effective Date may not be earlier than the date on which the Employer formally adopts this Plan.)*
- (2) ☐ **Restatement of Existing Plan.** The Employer hereby amends, restates and continues, in the form of the Foster, Swift, Collins & Smith, P.C. Volume Submitter Defined Contribution Plan as promulgated by Foster, Swift, Collins & Smith, P.C. (the "Volume Submitter Sponsor") the (the "Plan") originally established on as the (the "Prior Plan"). Unless otherwise set forth in the Plan, the effective date of this amended and restated Plan shall be . *(The Effective Date may not be earlier than the first day of the Plan Year during which the restated Plan is formally adopted by the Employer.)*
- (3) ☒ **PPA Restatement.** The Employer hereby amends, restates and continues, in the form of the Foster, Swift, Collins & Smith, P.C. Volume Submitter Defined Contribution Plan as promulgated by Foster, Swift, Collins & Smith, P.C. (the "Volume Submitter Sponsor") the City of Lansing Defined Contribution Plan (the "Plan") originally established on October 1, 1990 as the City of Lansing Employees' Money Purchase Pension Plan (the "Prior Plan"). This restatement is intended to bring the Plan into compliance with the Pension Protection Act of 2006 ("PPA") and other legislative and regulatory changes. Unless otherwise set forth in the Plan, the Effective Date of this amended and restated Plan shall be January 1, 2016; provided, however, that the Effective Date of changes that are intended to comply with changes in applicable federal pension law shall be effective as of the first day of the first Plan Year that begins after December 31, 2006. *(The Effective Date may not be earlier than the first day of the Plan Year during which the restated Plan is formally adopted by the Employer.)*

(c) **Type of Plan:**

- (1) ☐ 401(k) and Profit Sharing
- (2) ☐ 401(k) Only
- (3) ☒ Profit Sharing Only

The Plan also includes a "pick-up feature" in accordance with Code Section 414(h) and employee after-tax contributions. See Item E. of Addendum A.

(d) **Plan Year:**

- (1) ☒ The Plan Year shall be the 12-consecutive-month period commencing on January 1 and ending on December 31.
- (2) ☐ Notwithstanding the 12-consecutive-month period that is specified in Item 1.3(d)(1) above, the Plan Year shall be a short Plan Year, commencing on _____ and ending on _____.

(e) **Limitation Year:** The term "Limitation Year" shall mean:

- (1) ☒ the Plan Year; or
- (2) ☐ the 12-consecutive-month period beginning on _____ and ending on the subsequent _____ that occurs during the applicable Plan Year.

(f) **Trust Provisions:**

- (1) **Name of Trust:** City of Lansing Defined Contribution Trust

- (2) **Trustee(s) (name, address and telephone number):**

Wells Fargo Bank, N.A.
4660 S. Hagadorn Road, Suite 300
WS9921
East Lansing, MI 48823
(517) 351-6084

- (3) **Trust Agreement:**

- [a] ☒ Plan assets are held in a tax qualified trust. The applicable Trust provisions are set forth in the Foster, Swift, Collins & Smith, P.C. Volume Submitter Defined Contribution Trust Agreement that is considered part of the Basic Plan Document. If this Item 1.3(f)(3)[a] is selected, then the following shall apply:
- [i] ☐ The Trustee(s) is (are) responsible for the collection of contributions on behalf of the Plan.
- [ii] ☒ Wells Fargo Bank, N.A. is hereby appointed as a Special Trustee of the Plan. The sole responsibility of the Special Trustee is to collect contributions that are owed to the Plan. No other Trustee has the responsibility to collect contributions that are owed to the Plan.
- [b] ☐ Plan assets are held in a tax qualified trust. The applicable Trust provisions are set forth in a separate Trust Agreement between the Employer and the Trustee. The separate Trust Agreement is attached to this Adoption Agreement and incorporated into the Plan by reference. *(Note: the selection of this Item 1.3(f)(3)[b]) is a variation from the volume submitter document and will result in the loss of the Employer's ability to rely on the Volume Submitter Sponsor's advisory letter. The Employer will be required to apply for a determination letter from the IRS in order to obtain reliance as to the Plan's qualified status.)*

ARTICLE II — DEFINITIONS

- 2.1 **Compensation:** The following elections shall apply for purposes of Section 2.1(j) of the Basic Plan Document. *(CAUTION: Code Section 414(s) requires that the Plan's definition of compensation on which the allocation of*

contributions is based be nondiscriminatory. The regulations under Code Section 414(s) prescribe certain safe harbor definitions of compensation that automatically satisfy the requirements of Code Section 414(s). Use of a non-safe harbor definition of compensation requires that special nondiscrimination testing be performed in order to demonstrate the Plan's satisfaction of Code Section 414(s). If a non-safe harbor definition of compensation is selected below, the Plan will be subject to such special nondiscrimination testing under Code Section 414(s) and the regulations promulgated thereunder.)

- (a) ☐ The term "Compensation" shall have the meaning that is set forth in Section 2.1(j) of the Basic Plan Document (*safe harbor*).
- (b) ☐ The term "Compensation" shall have the meaning that is set forth in Section 2.1(j) of the Basic Plan Document, as modified by the elections that are set forth below (*select all that apply*).
- (1) ☐ Compensation that is not currently includible in the Participant's gross income by reason of the application of Code Sections 125 (including deemed Code Section 125 compensation), 132(f), 402(e)(3), 402(h)(1)(B), 414(h), or 403(b) shall be excluded from Compensation (*safe harbor*).
- (2) ☐ Reimbursements or other expense allowances, fringe benefits (cash or non-cash), moving expenses, deferred compensation (other than elective deferrals that are described in Item 2.1(b)(1) above) and welfare benefits shall be excluded from Compensation (*safe harbor*).
- (3) ☐ Differential wage payments that are described in Section 2.1(j)(8) shall be excluded from Compensation effective for Plan Years that begin on or after (may not be earlier than January 1, 2009) (*safe harbor*).
- (4) ☐ The following shall be excluded from Compensation (*non-safe harbor*):
 - [a] ☐ overtime;
 - [b] ☐ bonuses; and/or
 - [c] ☐ commissions.
- (5) ☐ The following elections shall apply notwithstanding any provision of Section 2.1(j)(5) and (6) of the Basic Plan Document to the contrary (*select all that apply*):
 - [a] ☐ post-severance regular pay shall be excluded from Compensation effective for Plan Years that begin on or after (may not be earlier than July 1, 2007) (*safe harbor*);
 - [b] ☐ post-severance leave cashouts and deferred compensation shall be excluded from Compensation effective for Plan Years that begin on or after (may not be earlier than July 1, 2007) (*safe harbor*);
 - [c] ☐ salary continuation payments for military service shall be included in Compensation effective for Plan Years that begin on or after (may not be earlier than July 1, 2007) (*safe harbor*);
 - [d] ☐ salary continuation payments for disabled participants (as defined in Code Section 22(e)(3)) shall be included in Compensation effective for Plan Years that begin on or after (may not be earlier than July 1, 2007) (*safe harbor*); and/or
 - [e] ☐ effective for Plan Years that begin on or after (may not be earlier than July 1, 2007), amounts that are earned by a Participant, but not paid during the Plan Year solely due to the timing of pay periods and pay dates, shall be included in Compensation; provided the amounts are paid during the first few

weeks of the next Limitation Year, the amounts are included on a uniform and consistent basis with respect to all similarly situated employees, and no such amounts are included in more than one Limitation Year (*safe harbor*).

- (c) ☒ The term "Compensation" shall have the alternative meaning that is set forth below.

The term "Compensation" shall have the meaning that is set forth in this Item 2.1(c).

Compensation, as defined in Section 2.1(j) of the Basic Plan Document, modified to include salary continuation payments for military service effective for Plan Years that begin on or after July 1, 2007, and further modified as set forth below.

- (1) The first two sentences of Section 2.1(j) are replaced in their entirety with the following:

“(j) Compensation: Compensation shall mean the total of all amounts that are paid to a Participant by the Employer for personal services determined on the same basis as is determined under Section 292.01(g) of the City of Lansing Employees’ Retirement System Ordinance (or any successor), excluding bonus payments, health-risk assessment payments, medical insurance opt-out payments, sick leave reimbursement, payments made under the Lansing Home Ownership Program for Employees, and any other payments that are excluded from Final Average Compensation as defined in the City of Lansing Employees’ Retirement System Ordinance pursuant to any collective bargaining agreement and any related documents such as a memorandum of understanding.”

- (2) Section 2.1(j)(2) is replaced in its entirety with the following:

“(2) Any benefits paid under this and any other deferred compensation plan and any qualified retirement plan shall be excluded from Compensation for purposes hereof. Any lump sum payments made upon employment termination (including, but not limited to accrued vacation time, sick time, personal leave, or comp time) shall be excluded from Compensation for purposes hereof.”

(Note: the selection of this Item 2.1(c) is a variation from the volume submitter document and will result in the loss of the Employer's ability to rely on the Volume Submitter Sponsor's advisory letter. The Employer will be required to apply for a determination letter from the IRS in order to obtain reliance as to the Plan's qualified status. Furthermore, if the definition stated in this Item 2.1(c) is not a Code Section 414(s) safe harbor definition of compensation, the Plan will be subject to special nondiscrimination testing in accordance with Code Section 414(s) and the regulations promulgated thereunder.)

- (d) **Determination Period:** Compensation for each Participant shall be based on:

- (1) ☒ the Plan Year; or
- (2) ☐ a 12-consecutive-month period that begins on _____ and ends within the Plan Year to which the contribution relates. Compensation for Employees whose dates of hire are less than 12 months before the end of such 12-consecutive-month period shall be determined over the Plan Year.

- (e) **First Plan Year of Participation:**

- (1) ☒ Compensation shall include Compensation that is paid to the Participant for the entire determination period (as defined in Item 2.1(d) above), regardless of when his or her participation in the Plan commenced.
- (2) ☐ Compensation shall not include Compensation that is paid to the Participant prior to the date on which his or her participation in the Plan commenced. If different eligibility

provisions apply with respect to different types of contributions, this rule shall apply separately with respect to each contribution type.

2.2 **Early Retirement Age:** For all purposes under this Plan, the term "Early Retirement Age" shall mean:

- (a) ☒ not applicable;
- (b) ☐ age (not less than age 55); or
- (c) ☐ age (not less than age 55) and the completion of Year(s) of Service.

2.3 **Eligibility Computation Period:** The term "Eligibility Computation Period" shall have the meaning that is set forth in Section 2.1(n) of the Basic Plan Document. For purposes of this Plan, the initial Eligibility Computation Period shall commence on the Employee's employment commencement date (the date on which the Employee first performs an Hour of Service). Each subsequent Eligibility Computation Period shall:

- (a) ☒ be the same as a Plan Year, commencing with the Plan Year that includes the first anniversary of the Employee's employment commencement date;
- (b) ☐ commence on the anniversary of the Employee's employment commencement date; or
- (c) ☐ commence on the anniversary of the Employee's employment commencement date; provided, however, that if the Employee fails to complete a Year of Service in the initial 12-consecutive-month period, all subsequent periods shall be the same as the Plan Year, commencing with the Plan Year that includes the first anniversary of the Employee's employment commencement date *(requires completion of a full 24-months of employment if used in conjunction with Eligibility Codes [d] and [e] in Item 3.1(b) below)*.

2.4 **Employee:** The term "Employee" shall have the meaning that is set forth in Section 2.1(o) of the Basic Plan Document. Each Employee of the Employer shall be eligible to participate in this Plan in accordance with Article III of the Basic Plan Document; provided, however, that any employee who is a member of the employment classification(s) that are selected in the chart below shall not be treated as an "Employee":

See Item B. of Addendum A.

Contribution Type	Excluded Employment Classifications Codes
All Contributions	
OR	
Elective Deferrals (including Roth Elective Deferrals, if selected in Item 4.1(c)(2) of this Adoption Agreement)	
Employer Matching Contributions (including QMACs)	
Employer Discretionary Contributions (including QNECs)	
Safe Harbor Matching Contributions	
Safe Harbor Nonelective Contributions	

For purposes of completing the "Employment Classifications" section of the foregoing chart, use the following Classification Codes:

Code	Exclusion
(a)	no exclusions;
(b)	Leased Employees;
(c)	nonresident aliens deriving no income from the Employer that constitutes income from sources within the United States;
(d)	individuals whose employment is subject to a collective bargaining agreement in which retirement benefits have been bargained in good faith, unless the collective bargaining agreement provides that members who are covered by said agreement shall be covered by the Plan;
(e)	individuals who are compensated by the Employer on an hourly basis;
(f)	individuals who are compensated by the Employer on a salaried basis;
(g)	individuals who receive 100% of their wages from the Employer in the form of commissions; and/or
(h)	<p>other: .</p> <p><i>(The exclusions that are listed in this Section 2.4(h) may not cause the group of Non-Highly Compensated Employees who participate under the Plan to consist only of those Non-Highly Compensated Employees: (i) who have the lowest amount of Compensation and/or the shortest periods of Service and; (ii) who represent the minimum number of Non-Highly Compensated Employees that are necessary to satisfy the coverage requirements of Code Section 410(b).)</i></p> <p><i>(Note: the selection of this Classification Code (h) is a variation from the volume submitter document and will result in the loss of the Employer's ability to rely on the Volume Submitter Sponsor's advisory letter. The Employer will be required to apply for a determination letter from the IRS in order to obtain reliance as to the Plan's qualified status.)</i></p>

(Note: Classifications Codes (b), (e), (f), (g) and (h) above are not statutory exclusions. Therefore, the selection of any of those Codes will require special testing to ensure that the exclusion does not violate applicable coverage requirements. For this purpose, a Participant is treated as benefiting under the Plan for any Plan Year during which the Participant received, or is deemed to have received, an allocation in accordance with Section 1.410(b)-(3)(a).)

- 2.5 **Highly Compensated Employee:** The term "Highly Compensated Employee" shall have the meaning that is set forth in Section 2.1(dd) of the Basic Plan Document. For this purpose, the top-paid group election and the calendar year data election will be used only if elected below.

N/A – This is a governmental plan and, therefore, is not subject to the requirements of Code Section 416 and the regulations thereunder.

- (a) ☐ **Top Paid Group Election:** The top-paid group election will apply for Plan Years that begin on or after .
- (b) ☐ **Calendar Year Data Election:** Calendar year data will be used for Plan Years that begin on or after .

2.6 **Normal Retirement Age:** For all purposes under this Plan, the term "Normal Retirement Age" shall mean:

(a) **General Rule.:**

- (1) ☒ Age 55, increasing to age 62 effective as of the date required for governmental plans under Code Section 401(a)(36) and the related regulations (*not to exceed age 65*).
- (2) ☐ The later of the Participant's attainment of age or the anniversary of the Participant's participation commencement date (*not to exceed the later of age 65 or the fifth anniversary of the Participant's participation commencement date*).

(b) ☐ **Special Rule for Pension Transfer Account:** If this Item 2.6(b) is selected, this Plan maintains a Pension Transfer Account for certain Participants. "Normal Retirement Age," solely as that term pertains to the Pension Transfer Account, shall have the meaning that is set forth below.

- (1) ☐ Age . (*The age selected may not be less than age 55 or greater than age 65. In addition, the age selected must not be earlier than the earliest retirement age that is reasonably representative of the typical retirement age for the industry in which Plan Participants work. Age 62 or older automatically satisfies such requirement.*)
- (2) ☐ The later of the two events that are specified below.
- [a] Attainment of age . (*The age selected may not be less than age 55 or greater than age 65. In addition, the age selected must not be earlier than the earliest retirement age that is reasonably representative of the typical retirement age for the industry in which Plan Participants work. Age 62 or older automatically satisfies such requirement.*)
- [b] The Participant's anniversary (*not to exceed the fifth anniversary*) of the Participant's participation commencement date. (*If, for Plan Years that begin before January 1, 1988, Normal Retirement Age with respect to amounts that are credited to a Participant's Pension Transfer Account were determined with reference to the anniversary of the Participant's participation commencement date (more than 5 but not to exceed 10 years), the anniversary date of a Participant who first commenced participation under the Plan before the first Plan Year that began on or after January 1, 1988, shall be the earlier of [i] the tenth anniversary of the date on which the Participant commenced participation in the Plan (or such anniversary as had been elected by the Employer, if less than 10) or [ii] the fifth anniversary of the first day of the first Plan Year beginning on or after January 1, 1988. The Participant's participation commencement date is the first day of the first Plan Year in which the participant commenced participation in the plan from which amounts that are credited to the Participant's Pension Transfer Account were merged.*)
- (3) ☐ If this Item (3) is selected, the Normal Retirement Age that is specified in Item 2.6(b)(1) or 2.6(b)(2) above, whichever is applicable, represents a change from the provisions of a Prior Plan, as required under PPA. Therefore, the Normal Retirement Date specified in this Item 2.6(b) became effective as of the first day of the first Plan Year that began after June 30, 2008. A Participant's Normal Retirement Age, as it applies to his or her Pension Transfer Account shall be determined for prior Plan Years in accordance with the terms of the Plan as in effect prior to the adoption of this amended and restated Plan.

2.7 **Vesting Computation Period:** The term "Vesting Computation Period" shall have the meaning set forth in Section 2.1(zz) of the Basic Plan Document. The election that is set forth below shall apply for purposes of this Plan.

- (a) ☐ The Vesting Computation Period shall be the same as a Plan Year.
- (b) ☐ The initial Vesting Computation Period shall commence on the Employee's employment commencement date (the date on which the Employee first performs an Hour of Service). Each

subsequent Vesting Computation Period shall be the same as a Plan Year, commencing with the Plan Year that includes the first anniversary of the Employee's employment commencement date.

- (c) ☒ The initial Vesting Computation Period shall commence on the date on which the Employee first performs an Hour of Service. Each subsequent Vesting Computation Period will commence on the anniversary of such date.

See also Item 1. of Addendum A to this Adoption Agreement for additional definitions.

ARTICLE III — PARTICIPATION AND SERVICE

3.1 Eligibility:

- (a) ☐ **Frozen Plan:** If this Item 3.1(a) is selected, participation in the Plan has been (or will be) curtailed effective as of _____ (the "Freeze Date"). Therefore, notwithstanding any provision of the Plan to the contrary, no individual may commence Plan participation if he or she had (or has) not already commenced Plan participation as of the Freeze Date. In addition, former Plan participants who are rehired by the Employer after the Freeze Date shall not reparticipate in the Plan; provided, however, that Years of Service for any rehired former Participant shall be credited solely for vesting purposes to the extent required under Section 3.3(b) of the Basic Plan Document and applicable law. *(If selected, complete the remainder of this Item 3.1 only if the Freeze Date is after the Effective Date that is elected in Item 1.3(b) of this Adoption Agreement.)*
- (b) ☒ **Participation:** Each Employee of the Employer who satisfies the eligibility requirements that are in the following chart shall be eligible to participate in the Plan in accordance with Section 3.1 of the Basic Plan Document as of the entry date that is specified in the chart below.

Contribution Type	Eligibility Requirements Code	Entry Dates
All Contributions	[f], [g]	[c]
OR		
Elective Deferrals (including Roth Elective Deferrals, if selected in Item 4.1(c)(2) of this Adoption Agreement)		
Employer Matching Contributions (including QMACs)		
Employer Discretionary Contributions (including QNECs)		
Safe Harbor Matching Contributions		
Safe Harbor Nonelective Contributions		

- (1) **Eligibility Requirements:** For purposes of completing the "Eligibility Requirements" section of the foregoing chart, use the following Eligibility Codes:

Code	Eligibility Requirement
[a]	no requirements;
[b]	attainment of age _____ (not to exceed age 21);
[c]	completion of one (1) Year of Service within any Eligibility Computation Period;

[d]	completion of two (2) Years of Service within any series of consecutive Eligibility Computation Periods; <i>(this option: [i] may not be selected with respect to Elective Deferrals; and [ii] requires the selection of full and immediate vesting in Item 6.3 of this Adoption Agreement for each form of contribution to which this option applies).</i>
[e]	expiration of the Eligibility Computation Period (or Eligibility Computation Periods where Code [d] above is designated as an eligibility requirement) during which the Employee has satisfied the all eligibility requirements;
[f]	employment by the Employer on the applicable entry date; and/or
[g]	other: The Employee has completed one Hour of Service within any Eligibility Computation Period. <i>(age may not exceed age 21, and Years of Service may not exceed: [i] one (1) Year of Service for Elective Deferrals; and [ii] two (2) Years of Service for all other contributions.)</i> <i>(Note: the selection of Eligibility Requirement Code [g] is a variation from the volume submitter document and will result in the loss of the Employer's ability to rely on the Volume Submitter Sponsor's advisory letter. The Employer will be required to apply for a determination letter from the IRS in order to obtain reliance as to the Plan's qualified status.)</i>

- (2) **Entry Dates:** For purposes of completing the "Entry Date" section of the foregoing chart, use the following Entry Date Codes:

Code	Entry Date
[a]	the Employee's date of hire <i>(permitted only if Eligibility Requirement Code [a] above is selected);</i>
[b]	the first day of the Plan Year that is nearest the date on which the Employee satisfies the eligibility requirements <i>(permits retroactive participation)</i> ;
[c]	the date on which the Employee satisfies the eligibility requirements <i>(daily entry)</i> ;
[d]	the first day of the first payroll period that coincides with or next follows the date on which the Employee satisfies the eligibility requirements <i>(payroll date entry)</i> ;
[e]	the first day of the month coinciding with or next following the date on which the Employee satisfies the eligibility requirements <i>(monthly entry)</i> ;
[f]	the earlier of the first day of the [i] first month; [ii] fourth month; [iii] seventh month; or [iv] tenth month of the Plan Year coinciding with or next following the date on which the Employee satisfies the eligibility requirements <i>(quarterly entry)</i> ; or
[g]	the earlier of the first day of the [i] first month or [ii] seventh month of the Plan Year coinciding with or next following the date on which the Employee satisfies the eligibility requirements <i>(semi-annual entry)</i> .

- (3) ☐ **Waiver of Eligibility Requirements:** Notwithstanding the requirements set forth above in this Item 3.1(b), any Employee who is employed by the Employer on _____ shall participate in the Plan as of the Effective Date for the following purpose(s):

[a] ☐ all contributions;

OR

[b] ☐ Elective Deferrals (including Roth Elective Deferrals, if applicable);

- [c] ☐ Employer Matching Contributions (including QMACs);
- [d] ☐ Employer Discretionary Contributions (including QNECs);
- [e] ☐ Safe Harbor Matching Contributions; and/or
- [f] ☐ Safe Harbor Nonelective Contributions.

3.2 **Service:** The elections that are set forth below shall apply when determining a Participant's Service. Unless otherwise noted below, these elections shall apply for purposes of eligibility and vesting under Section 3.2 of the Basic Plan Document.

(a) **Pre-Age 18 Service:** Solely for purposes of vesting, Years of Service prior to the Participant's attainment of age 18 shall:

- (1) ☐ be disregarded; or
- (2) ☒ not be disregarded.

(b) **Pre-Effective Date Service:** The rules that are elected below shall apply with respect to Service prior to the Plan's Effective Date.

- (1) ☐ This is a new Plan.
 - [a] ☐ Service prior to the Effective Date of the Plan shall be disregarded for all purposes.
 - [b] ☐ Any Employee shall receive Years of Service credit for said Employee's last period of continuous employment with the Employer that includes the Effective Date. The relevant 12-consecutive-month period for this purpose shall be the Plan Year.
- (2) ☒ This is a restated Plan. Service prior to the earliest Effective Date of the Plan shall be determined in accordance with the terms of the Prior Plan.

(c) **Service With Predecessor Employer(s):** Service shall also include service with the employer(s) listed below for purposes of: ☐ eligibility; ☐ vesting; and/or ☐ allocations of Employer contributions.

- (1) ☒ Not applicable; or
- (2) ☐ .

See also Item D. of Addendum A to this Adoption Agreement.

ARTICLE IV -- CONTRIBUTIONS AND FORFEITURES

4.1 **Employer Contributions:** All of the types of Employer Contributions that are selected below shall be made to the Plan in accordance with Article IV of the Basic Plan Document and the elections set forth below.

- (a) ☐ **Frozen Plan:** If this Item 4.1(a) is selected, contributions to the Plan ceased (or shall cease) effective as of (the "Freeze Date"). Therefore, notwithstanding any provision of the Plan to the contrary, further contributions shall not be made to the Plan with respect to Compensation that is paid to any Participant after the Freeze Date or Service performed by any Participant after the Freeze Date. *(If selected, complete the remainder of this Article IV only if the Freeze Date is after the Effective Date elected in Item 1.3(b) of this Adoption Agreement.)*

- (b) ☒ **Military Service:** Effective as of January 1, 2007 (*not earlier than the first day of the Plan Year that begins during 2007*), for purposes of determining a Participant's eligibility for contributions under the Plan, the Plan ☐ shall / ☒ shall not treat an individual who dies or becomes disabled while performing qualified military service with respect to the Employer as if the individual had resumed employment in accordance with the individual's reemployment rights under USERRA on the day preceding his or her death or Disability (as the case may be) and terminated employment on the actual date of death or Disability.
- (c) ☐ **Elective Deferrals:** If this Item 4.1(c) is selected, Elective Deferral contributions shall be permitted.
- (1) **Special Effective Date:**
- [a] ☐ Not applicable. The initial effective date of the Elective Deferral provisions of the Plan shall be the same as the Effective Date that is set forth in Item 1.3(b) of this Adoption Agreement or, in the case of a restated Plan, Elective Deferral Contributions were permitted under the Prior Plan.
- [b] ☐ The Elective Deferral provisions of the Plan shall become effective as of
(*may not be earlier than the date on which the Employer formally adopts the Code Section 401(k) provisions of this Plan*).
- (2) ☐ **Roth Elective Deferrals:** If this Item 4.1(c)(2) is selected, Roth Elective Deferrals shall be permitted in accordance with Article XIV of the Basic Plan Document effective on and after
(*date on which the Roth Elective Deferral provisions of the Plan first become effective or, in the case of a restated Plan, first became effective under the Prior Plan (may not be earlier than January 1, 2006)*).
- (3) ☐ **Catch-Up Contributions:** If this Item 4.1(c)(3) is selected, Catch-Up Contributions under Code Section 414(v) shall be permitted in accordance with Article IV of the Basic Plan Document.
- [a] **Special Effective Date:**
- [i] ☐ Not applicable. The initial effective date of the Catch-Up Contribution provisions of the Plan shall be the same as the Effective Date that is set forth in Item 1.3(b) of this Adoption Agreement or, in the case of a restated Plan, Catch-Up Contributions were permitted under the Prior Plan.
- [ii] ☐ The Catch-Up Contribution provisions of the Plan shall become effective as of .
- (4) **Elective Deferral Sources:** Elective Deferrals may be made from the Participant's:
- [a] ☐ periodic payroll checks; or
- [b] ☐ periodic payroll checks and non-periodic (for example, bonus) compensation checks, and
- [i] ☐ the non-periodic deferral percentage shall be the same percentage elected for periodic payroll checks; or
- [ii] ☐ a separate election of the deferral percentage may be made for periodic payroll checks and non-periodic compensation.

- (5) **Election Frequency:** Elective Deferral agreements and amendments to Elective Deferral agreements shall not be made retroactively, but may be made:
- [a] ☐ as of _____ (*must be at least once per Plan Year*); or
 - [b] ☐ in accordance with administrative procedures adopted by the Employer.
- (6) ☐ **Automatic Enrollment:** If this Item 4.1(c)(6) is selected, the automatic enrollment provisions of Section 4.1(a) of the Basic Plan Document shall apply.
- [a] **Effective Date:** The automatic enrollment provisions of the Plan shall apply effective on and after _____ (*date on which the automatic enrollment provisions become effective under this Plan or, in the case of a restated Plan, first became effective under the Prior Plan*).
 - [b] **Application to New and Existing Participants:** The automatic enrollment provisions of the Plan shall apply to each Participant who becomes eligible to make Elective Deferrals on or after the effective date that is set forth in Item 4.1(b)(6)[a] above. In addition, the automatic enrollment provisions shall apply to the extent elected below to each Participant who, as of the effective date that is set forth in Item 4.1(b)(6)[a] above, was eligible to make Elective Deferrals.
 - [i] ☐ Not applicable. This is a new Plan or, in the case of a restated Plan, the Elective Deferrals were not permitted under the Prior Plan.
 - [ii] ☐ The automatic enrollment provisions of the Plan shall not apply to any Participant in the Prior Plan who is eligible to make Elective Deferrals as of the effective date set forth in Item 4.1(b)(6)[a] above.
 - [iii] ☐ The automatic enrollment provisions of the Plan shall apply to each Participant under the Prior Plan who is eligible to make Elective Deferrals as of the effective date set forth in Item 4.1(b)(6)[a] above, regardless of any prior elective deferral agreement that was made by the Participant.
 - [iv] ☐ The automatic enrollment provisions of the Plan shall apply to each Participant under the Prior Plan who is eligible to make Elective Deferrals as of the effective date set forth in Item 4.1(b)(6)[a] but who does not have an elective deferral agreement in effect on such date.
 - [c] **Default Percentage:**
 - [i] ☐ The default percentage shall be _____ % of Compensation for each payroll period; or
 - [ii] ☐ The initial default percentage shall be _____ % of Compensation for each payroll period. The default percentage will increase by _____ percentage points as described in Section 4.1(a) of the Basic Plan Document until the default percentage is _____ % (*not greater than 6%*) of Compensation.
- (7) **Actual Deferral Percentage (ADP) Testing Method:**
- [a] ☐ **Prior Year Testing:** The Plan shall use the prior year testing method that is set forth in Section 4.2(c)(1) of the Basic Plan Document.

- [b] ☐ **Current Year Testing:** The Plan shall use the current year testing method that is set forth in Section 4.2(c)(2) of the Basic Plan Document *(must be selected if Item 4.1(d)(3) of this Adoption Agreement is selected)*.

Note: The Plan may not switch from the current year testing method to the prior year testing method unless: [i] the Plan has used current year testing for each of the preceding five (5) Plan Years (or if lesser, the number of Plan Years that the Plan has been in existence); or [ii] if, as a result of a merger or acquisition that is described in Code Section 410(b)(6)(C)(i), the Employer maintains both a plan using prior year testing and a plan using current year testing and the change is made within the transition period described in Section 410(b)(6)(C)(ii).

(d) **Nonelective Contributions:**

- (1) ☒ **Employer Discretionary Contributions:** If this Item 4.1(d)(2) is selected, Employer Discretionary Contributions shall be permitted. ***(CAUTION: Code Section 401(a)(4) requires that the Plan's allocation formula be nondiscriminatory. The regulations under Code Section 401(a)(4) prescribe certain safe harbor allocation formulas that automatically satisfy the nondiscrimination in amount requirements of Code Section 401(a)(4). Use of a non-safe harbor allocation formula requires that special nondiscrimination testing be performed in order to demonstrate satisfaction of Code Section 401(a)(4). Selection of a non-safe harbor allocation formula below will subject the Plan to special nondiscrimination testing in accordance Code Section 401(a)(4) and the regulations thereunder.)***

[a] **Special Effective Date:**

- [i] ☒ Not applicable. The Employer Discretionary Contribution provisions are effective as of the Effective Date of this Plan or, in the case of a restated Plan, on the Effective Date of this restatement.
- [ii] ☐ The Employer Discretionary Contribution provisions of this Plan shall become effective as of _____.

[b] ☒ **Uniform/Integrated Allocation Methods (safe harbor):**

- [i] ☒ **Pro-Rata Formula:** The Employer Discretionary Contribution for the Plan Year shall be allocated among eligible Participants (as described in Item 4.1(d)(1)[d] of this Adoption Agreement) in the same proportion as each such Participant's Compensation for the Plan Year bears to the total Compensation of all Participants for such Plan Year.

See also Item C. of Addendum A.

- [ii] ☐ **Excess Integrated Formula:** The Employer Discretionary Contribution for the Plan Year shall be allocated among eligible Participants (as described in Item 4.1(d)(1)[d] of this Adoption Agreement) in accordance with the four-step excess integrated allocation formula that is described in Section 4.1(b)(1)[b] of the Basic Plan Document. The integration level shall be equal to:
- a. ☐ the Social Security taxable wage base as in effect at the beginning of the Plan Year;
- b. ☐ % *(not to exceed 100%)* of the Social Security taxable wage base as in effect at the beginning of the Plan Year; or

c. ☐ \$ (not to exceed the Social Security taxable wage base as in effect at the beginning of the Plan Year);

[iii] ☐ **Other:** The Employer Discretionary Contribution for the Plan Year shall be allocated in accordance with the formula that is set forth below *(must be a uniform allocation formula as described in Code Section 1.401(a)(4)-2(b)(2))*:

(Note: the selection of this Item 4.1(d)(1)[b][iii] is a variation from the volume submitter document and will result in the loss of the Employer's ability to rely on the Volume Submitter Sponsor's advisory letter. The Employer will be required to apply for a determination letter from the IRS in order to obtain reliance as to the Plan's qualified status.)

[c] ☐ **Non-Uniform Allocation Methods (non-safe harbor):**

[i] ☐ **Cross-Tested Formula.** If an Employer Discretionary Contribution is declared for a Plan Year, then the Gateway Allocation determined pursuant to Section 4.1(b)(1)[c] of the Basic Plan Document shall be made for all Participants who are Non-Highly Compensated Employees. Any remaining Employer Discretionary Contribution for the Plan Year shall be allocated among each eligible Participant (as described in Item 4.1(d)(1)[d] of this Adoption Agreement) in accordance with the cross-tested allocation formula that is as described in Section 4.1(b)(1)[c] of the Basic Plan Document. For this purpose, allocation groups shall consist of the following:

(The groups that are listed under this Section 4.1(d)(1)[c][i] may not cause the group of Non-Highly Compensated Employees who benefit under this Section 4.1(d)(1) to consist only of those Non-Highly Compensated Employees who: (i) have the lowest amount of Compensation and/or the shortest periods of Service and; (ii) represent the minimum number of Non-Highly Compensated Employees that are necessary to satisfy the coverage requirements of Code Section 410(b).)

[ii] ☐ **Other:** The Employer Discretionary Contribution for the Plan Year shall be allocated in accordance with the formula that is set forth below *(must satisfy the applicable nondiscrimination in amount requirements that are set forth in Code Section 401(a)(4))*:

(Note: the selection of this Item 4.1(d)(1)[c][ii] is a variation from the volume submitter document and will result in the loss of the Employer's ability to rely on the Volume Submitter Sponsor's advisory letter. The Employer will be required to apply for a determination letter from the IRS in order to obtain reliance as to the Plan's qualified status.)

[d] **Contribution Eligibility Requirements:**

[i] **General Rule:** Any Employer Discretionary Contribution that is declared for a Plan Year shall be allocated in accordance Section 4.1(b)(1) of the Basic Plan

Document using the formula elected in this Section 4.1(d) to each Participant who meets the eligibility requirements that are elected below.

- a. ☐ No eligibility requirements. The Employer Discretionary Contribution shall be made for each Participant who is employed by the Employer during the Plan Year to which the Employer Discretionary Contribution relates.
- b. ☐ The Participant is employed by the Employer on the last day of the Plan Year to which the Employer Discretionary Contribution relates, regardless of the number of Hours of Service completed by the Participant during that Plan Year.
- c. ☒ The Participant completes at least one (1) (*not more than 1,000*) Hours of Service during the Plan Year to which the Employer Discretionary Contribution relates, regardless of whether the Participant is employed by the Employer at the end of that Plan Year.
- d. ☐ The Participant is employed by the Employer on the last day of the Plan Year to which the Employer Discretionary Contribution relates and completes at least (*not more than 1,000*) Hours of Service during that Plan Year.

[ii] **Exceptions:** Notwithstanding the foregoing contribution eligibility requirements, any Participant who terminates employment during the Plan Year to which the discretionary contribution relates shall receive an allocation of any Employer Discretionary Contribution that is made for that Plan Year, where such termination was:

- a. ☐ due to the Participant's death;
- b. ☐ due to the Participant's Disability; and/or
- c. ☐ on or after the date on which the Participant attained the:
 - 1. ☐ Early Retirement Age; or
 - 2. ☐ Normal Retirement Age.

(2) ☐ **Employer Matching Contributions:** If this Item 4.1(d)(2) is selected, Employer Matching contributions shall be permitted. Employer Matching Contributions shall be made with respect to a Participant's Elective Deferral Contributions (including Roth Elective Deferral Contributions, if Roth Elective Deferral Contributions are permitted).

[a] **Special Effective Date:**

- [i] ☐ Not applicable. The Employer Matching Contribution provisions are effective as of the Effective Date of this Plan or, in the case of a restated Plan, on the Effective Date of this restatement.
- [ii] ☐ The Employer Matching Contribution provisions of this Plan shall become effective as of .

[b] **Amount:**

- [i] ☐ **Fixed Amount:** The amount of Employer Matching Contributions that will be made for each eligible Participant (as described in Item 4.1(d)(2)[d] of this Adoption Agreement) shall be \$ _____ for every dollar that the Participant contributes in the form of Elective Deferrals. The maximum matching contribution that will be contributed by the Employer for any Participant in the form of Matching Contributions shall be _____.
- [ii] ☐ **Discretionary Amount:** The amount of Employer Matching Contributions that will be made for each eligible Participant (as described in Item 4.1(d)(2)[d] of this Adoption Agreement) shall be an amount equal to such amount for every dollar that the Participant contributes in the form of Elective Deferrals as is determined by resolution of the Governing Board adopted on or before the last day of each Plan Year.

Note: If the ACP test safe harbor is selected in Item 4.1(d)(3)[b][i] of this Adoption Agreement, then: (a) Employer Matching Contributions may not be made with respect to any Participant's Elective Deferrals that exceed 6% of his or her Compensation; (b) no Highly Compensated Employee may receive a greater rate of Employer Matching Contributions than a Non-Highly Compensated Employee who is deferring the same rate of Elective Deferrals as the Highly Compensated Employee; and (c) the rate of Employer Matching Contributions may not increase for any Participant as his or her Elective Deferrals increase. Furthermore, if the ACP test safe harbor is selected in Item 4.1(d)(3)[b][i] and discretionary Employer Matching Contributions are selected in Item 4.1(d)(2)[b][ii] above, then the maximum discretionary Employer Matching Contribution that may be made on behalf of any Participant is 4% of his or her Compensation.

- [c] **Catch-Up Contributions:** Employer Matching Contributions ☐ shall / ☐ shall not be made with respect to a Participant's Catch-Up Contributions. *(Note: Employer Matching Contributions must be made with regard to Catch-Up Contributions if Item 4.1(d)(3)[c][ii] of this Adoption Agreement is selected.)*

[d] **Matching Contribution Eligibility Requirements:**

- [i] **General Rule:** Any Employer Matching Contribution shall be allocated in accordance with Section 4.1(b)(2) of the Basic Plan Document to any Participant who meets the requirements elected below.
- a. ☐ No eligibility requirements. Employer Matching Contributions shall be made for each Participant who makes Elective Deferrals during the contribution computation period to which the Matching Contribution relates *(must be selected if Item 4.1(d)(3)[b][i] of this Adoption Agreement is selected).*
- b. ☐ The Participant is employed by the Employer on the last day of the matching contribution computation period to which the Employer Matching Contribution relates.
- c. ☐ The Participant completes at least _____ *(not more than 1,000)* Hours of Service during the Plan Year to which the matching contribution relates, regardless of whether the Participant is employed by the Employer on the last day of that Plan Year *(permitted only if the contribution computation*

period that is elected in Items 4.1(d)(2)[e] of this Adoption Agreement is the Plan Year).

- d. ☐ The Participant is employed by the Employer on the last day of the Plan Year to which the Employer Matching Contribution relates and completes at least *(not more than 1,000)* Hours of Service during that Plan Year *(permitted only if the contribution computation period that is elected in Item 4.1(d)(2)[e] of this Adoption Agreement is the Plan Year).*

[ii] **Exceptions:** Notwithstanding the foregoing eligibility requirements for Employer Matching Contributions, any Participant who terminates employment during the computation period to which the Employer Matching Contribution relates shall receive Employer Matching Contributions for that computation period, where such termination was:

- a. ☐ due to the Participant's death;
- b. ☐ due to the Participant's Disability; and/or
- c. ☐ on or after the date on which the Participant attained the:
1. ☐ Early Retirement Age; or
2. ☐ Normal Retirement Age.

[e] **Contribution Computation Period:** The contribution computation period for purposes of Section 4.1(b)(2) and 5.2(d) of the Basic Plan Document shall be:

- [i] ☐ the Plan Year;
- [ii] ☐ each payroll period that ends within or within the Plan Year;
- [iii] ☐ each calendar month that ends with or within the Plan Year; or
- [iv] ☐ the respective Plan Year quarters that end with the third, sixth, ninth and twelfth months of the Plan Year.

If either of Items 4.1(d)(2)[e][ii], [iii] or [iv] above is selected, then the total amount of the Employer Matching Contribution that is made to each Participant during the Plan Year ☐ shall / ☐ shall not be subject to the "true-up" requirements set forth in Section 5.2(d) of the Basic Plan Document.

[f] **Actual Contribution Percentage (ACP) Testing Method.**

- [i] ☐ **Prior Year Testing.** The Plan shall use the prior year testing method that is set forth in Section 4.4(a) of the Basic Plan Document.
- [ii] ☐ **Current Year Testing.** The Plan shall use the current year testing method set forth in Section 4.4(b) of the Basic Plan Document *(must be selected if Item 4.1(c)(3) of this Adoption Agreement is selected).*

Note: The Plan may not switch from the current year testing method to the prior year testing method unless: [i] the Plan has used current year testing for each of the preceding five (5) Plan Years (or if lesser, the number of Plan Years that the Plan has been in existence); or [ii] if, as a result of a merger or acquisition that is described in

Code Section 410(b)(6)(C)(i), the Employer maintains both a plan using prior year testing and a plan using current year testing and the change is made within the transition period described in Section 410(b)(6)(C)(ii).

- (3) ☐ **Employer Safe Harbor Contributions:** If this Item (3) is selected, the Employer shall make Employer Safe Harbor Contributions in accordance with Section 4.1(b)(3) of the Basic Plan Document.

[a] **Special Effective Date:**

- [i] ☐ Not applicable. The Employer Safe Harbor Contribution provisions are effective as of the Effective Date of this Plan or, in the case of a restated Plan, the Effective Date of this restatement.

- [ii] ☐ The Employer Safe Harbor Contribution provisions of this Plan shall become effective for Plan years beginning on and after _____.

[b] **Automatic Satisfaction of ADP and ACP Tests.** The Employer Safe Harbor Contributions shall be used to satisfy:

- [i] ☐ both the ADP and the ACP tests; or

- [ii] ☐ only the ADP test.

(Note: Use of ADP and ACP testing by the Employer is impermissible, in accordance with Regulations Section 1.401(k)-1(e)(7) and 1.401(m)-1(c)(2), for any Plan Year during which the Plan is intended, through its written terms, to be a Code Section 401(k) safe harbor plan and (where applicable) a 401(m) safe harbor plan and the Employer fails to satisfy the requirements of such safe harbors for the Plan Year.)

[c] **Amount:**

- [i] ☐ **Safe Harbor Nonelective Contribution:** If this Item 4.1(d)(3)[c][i] is selected, the Employer shall make an Employer Safe Harbor Contribution to the account of each Eligible Participant in an amount equal to _____ % (not less than 3%) of the Participant's Compensation for the Plan Year.

- [ii] ☐ **Safe Harbor Matching Contribution:** If this Item 4.1(d)(3)[c][ii] is selected, the Employer shall make a Safe Harbor Matching Contribution to the account of each Eligible Participant. The amount of Safe Harbor Matching Contribution shall be determined under the formula that is elected in Item 4.1(d)(3)[c][ii]a. or b. below.

- a. ☐ **Basic Formula:** The amount of Safe Harbor Matching Contribution that shall be made to the account of each Eligible Participant shall be equal to the sum of (1) 100% of the Participant's Elective Deferrals that do not exceed 3% of the Participant's Compensation, plus (2) 50% of the amount of Participant's Elective Deferrals that exceed 3% of the Participant's Compensation but do not exceed 5% of the Participant's Compensation.

- b. ☐ **Safe Harbor Enhanced Matching Contribution:** The amount of Safe Harbor Matching Contribution that shall be made to the account of each Eligible Participant shall be equal to 100% of the Participant's Elective Deferrals to the extent

that such Elective Deferrals do not exceed 4% of the Participant's Compensation.

- c. ☐ **Contribution Computation Period:** If Safe Harbor Matching Contributions are elected in this Item 4.1(d)(3)[c][ii], the contribution computation period for purposes of Sections 4.1(b)(3) and 5.2(e) of the Basic Plan Document shall be:

1. ☐ the Plan Year;
2. ☐ each payroll period that ends within or within the Plan Year;
3. ☐ each calendar month that ends with or within the Plan Year; or
4. ☐ the third, sixth, ninth and twelfth months that end with or within the Plan Year.

If either of Items 4.1(d)(3)[c][ii]c.2., 3. or 4. above is selected, then the total amount of Employer Safe Harbor Contribution ☐ shall / ☐ shall not be subject to the "true-up" requirements that are set forth in Section 5.2(e) of the Basic Plan Document.

- [d] **Contribution Eligibility Requirements:** For purposes of Employer Safe Harbor Contributions, the term "Eligible Participant" shall have the meaning that is set forth in Section 4.1(b)(3)[a][iv] of the Basic Plan Document. For this purpose, Highly Compensated Employees:

- [i] ☐ shall be eligible to receive Employer Safe Harbor Contributions; or
- [ii] ☐ shall not be eligible to receive Employer Safe Harbor Contributions.

4.2 **Forfeitures:** The final disposition of forfeitures shall occur in accordance with Section 4.5 of the Basic Plan Document and the elections that are set forth below.

- (a) **Timing of Forfeitures:** Forfeitures shall occur in accordance with the elections that are set forth below.

- (1) ☐ Not applicable. All contributions are fully vested.
- (2) ☒ The earlier of the last day of the Plan Year during which [a] distributions commence to the terminated Participant; or [b] such Participant incurs his or her fifth consecutive one-year Break in Service.
- (3) ☐ As of the last day of the Plan Year during which the Participant incurs his or her fifth consecutive one-year Break in Service.

- (b) **Application of Forfeitures:** Forfeitures may first be used to pay administrative expenses of the Plan and, in the discretion of the Employer, to restore previously forfeited amounts to reemployed Participants. Any remaining Forfeitures shall:

- (1) ☐ Not applicable. All contributions are fully vested.
- (2) ☐ be allocated in the ratio that the Compensation of each Participant bears to that of all Participants; or

- (3) ☒ be used to reduce Employer Contributions for the Plan Year.

4.3 Rollovers From Other Plans:

- (a) ☐ **Frozen Plan:** If this Item 4.3(a) is selected, contributions to the Plan ceased (or will cease) effective as of _____ (the "Freeze Date"). Therefore, notwithstanding any provision of the Plan to the contrary, Participant rollover contributions and/or direct rollovers of distributions shall not be accepted on behalf of any individual after the Freeze Date. *(If selected, complete the remainder of this Item 4.3 only if the Freeze Date is after the Effective Date that is elected in Item 1.3(b) of this Adoption Agreement.)*
- (b) ☒ If this Item 4.3(b) is selected, the Plan will accept Participant rollover contributions and/or direct rollovers of distributions on behalf of:
- (1) ☐ any Plan Participant; or
- (2) ☒ any Plan Participant or Employee who is eligible to participate in the Plan, regardless of whether such Employee has satisfied any age and/or service requirements that are set forth in Section 3.1 of the Basic Plan Document and Item 3.1(b) of this Adoption Agreement.
- (c) **Sources of Rollovers:** The Plan will accept a direct rollover or a Participant contribution of an eligible rollover distribution from:
- (1) ☒ a qualified plan described in Code Section 401(a) or 403(a) ☐ including / ☒ excluding non-Roth after-tax employee contributions, and ☐ including / ☒ excluding distributions from designated Roth accounts;
- (2) ☒ an annuity contract that is described in Code Section 403(b), ☒ excluding non-Roth after-tax employee contributions, ☐ including / ☒ excluding distributions from designated Roth accounts;
- (3) ☒ an eligible plan under Code Section 457(b) that is maintained by a state, political subdivision of state or any agency or instrumentality of a state or political subdivision of state, ☐ including / ☒ excluding distributions from designated Roth accounts; and/or
- (4) ☒ an individual retirement account or annuity that is described in Code Section 408(a) or (b) that is eligible to be rolled over and would otherwise be includible in gross income.
- (d) **Distributions of Rollovers:** Distributions may be made from a Participant's Rollover Account:
- (1) ☐ at any time;
- (2) ☐ upon otherwise becoming eligible for an in-service distribution from the Plan; or
- (3) ☒ only after the Participant's termination of employment.

ARTICLE V -- ALLOCATIONS TO AND FROM PARTICIPANT ACCOUNTS

- 5.1 ☐ **Individual Accounts:** If this Item 5.1 is selected, this Plan contains assets that were transferred within the meaning of Code Section 414(1) to this Plan from a money purchase pension plan or target benefit plan that was qualified under Code Section 401(a). Such transferred amounts shall be recorded for accounting purposes under a separate Plan account, known as the Participant's Pension Transfer Account.
- 5.2 **Administrative Expenses:** Administrative expenses, including expenses that are attributable to carrying out a Participant's investment direction and/or the determination and implementation of a Qualified Domestic Relations

Order may be deducted, to the extent elected below in this Item 5.2, from the Plan account of the Participants on whose behalfs the expenses are incurred.

(a) **Fees and Expenses Attributable to Following Specific Participant Investment Instructions:**

- (1) ☐ Not applicable. The Plan does not permit Participants to direct the investment of their Plan accounts.
- (2) ☐ Fees and expenses that are incurred with respect to following a Participant's investment instructions shall be paid entirely by the Employer.
- (3) ☐ Fees and expenses that are incurred with respect to following the investment instructions of a Participant will be paid by the Employer; provided, however, that any fees and expenses that are incurred on behalf of a Participant after the last day of the Plan Year in which he or she terminates employment with the Employer shall be deducted from the Plan accounts of such Participant.
- (4) ☒ All fees and expenses that are incurred with respect to following a Participant's investment instructions shall be deducted from the Participant's Plan accounts.

(b) **General Fees and Expenses Attributable to Investment Direction:** Fees and expenses that are incurred by the Plan with respect to investment advice obtained from individuals or entities authorized by relevant law to provide such advice shall be:

- (1) ☒ paid entirely by the Employer;
- (2) ☐ paid by the Employer; provided, however, that any such fees and expenses allocable to a Participant's Plan accounts in accordance with Section 5.2(h)(2) of the Basic Plan Document after the last day of the Plan Year in which he or she terminates employment with the Employer shall be deducted from the Plan accounts of that Participant; or
- (3) ☐ allocated to the Plan accounts of each Participant in accordance with Section 5.2(h)(2) of the Basic Plan Document and deducted from the Participants Plan accounts.

(c) **Other Fees and Expenses:** Other fees and expenses that are incurred by the Plan shall be paid as described below.

- (1) Expenses that are incurred in connection with the determination and implementation of a Qualified Domestic Relation Order shall be:
 - [a] ☐ paid by the Employer; or
 - [b] ☐ deducted from the Participant's Plan accounts in accordance with Section 5.2(i) of the Basic Plan Document.
- (2) Expenses that are incurred in connection with the processing of loans shall be:
 - [a] ☐ paid by the Employer; or
 - [b] ☐ deducted from the Participant's Plan accounts in accordance with Section 5.2(j) of the Basic Plan Document.
- (3) Expenses that are incurred in connection with the processing of hardship withdrawals shall be:
 - [a] ☐ paid by the Employer; or

[b] ☐ deducted from the Participant's Plan accounts in accordance with Section 5.2(k) of the Basic Plan Document.

(4) Expenses that are incurred in connection with all other distributions from the Plan shall be:

[a] ☐ paid by the Employer; or

[b] ☒ deducted from the Participant's Plan accounts in accordance with Section 5.2(l) of the Basic Plan Document.

5.3 ☒ **Limitation on Allocations:** If this Item 5.3 is selected, the Employer elects to modify the definition of Code Section 415 compensation in Section 5.3(c)(1) of the Basic Plan Document as set forth below.

(a) ☐ post-severance leave cashouts and deferred compensation shall be excluded from Code Section 415 Compensation;

(b) ☒ salary continuation payments for military service shall be included in Code Section 415 Compensation;

(c) ☐ salary continuation payments for disabled participants (as defined in Code Section 22(e)(3)) shall be included in Code Section 415 compensation; and/or

(d) ☐ amounts earned by a Participant but not paid during the Plan Year solely due to the timing of pay periods and pay dates shall be included in Code Section 415 Compensation.

ARTICLE VI -- BENEFITS

6.1 ☐ **Early Retirement Benefits:** If this Item 6.1 is selected, the early retirement provisions of Section 6.1 of the Basic Plan Document shall apply.

6.2 ☒ **In-Service Distributions:** If this Item 6.2 is selected, the Plan permits in-service distributions in accordance with Section 6.7 of the Basic Plan Document and the elections that are set forth below.

(a) **Eligibility for In-Service Distributions:** Except as otherwise elected in Items 6.2(b) and (c) below, a Participant may request an in-service distribution upon his or her attainment of:

(1) ☐ age 59½; or

(2) ☒ the Normal Retirement Age.

(b) **In-Service Distributions from the Participant's Pension Transfer Account:**

(1) ☒ Not applicable. The Plan does not maintain any Pension Transfer Accounts or does not permit in-service distributions from a Participant's Pension Transfer Account.

(2) ☐ A Participant may request an in-service distribution from his or her Pension Transfer Account upon his or her attainment of age *(not earlier than age 62)*.

(c) **In-Service Distribution of Roth Elective Deferrals:**

(1) ☒ Not applicable. Roth Elective Deferrals are not permitted under the Plan.

(2) ☐ Amounts that are credited to a Participant's Roth Elective Deferral Account shall be available for in-service distribution, but only to the extent that the combined balance in the Participant's other Plan accounts is not sufficient to satisfy the distribution request.

- (3) ☐ Amounts that are credited to a Participant's Roth Elective Deferral Account shall not be available for in-service distribution.

(d) **In-Plan Roth Rollovers:**

- (1) ☒ Not applicable. Roth Elective Deferrals are not permitted under the Plan, or in-Plan Roth rollovers shall not be permitted.

- (2) ☐ Effective *(not earlier than September 28, 2010)*, a Participant who continues to be employed by the Employer may elect an in-Plan Roth rollover by direct rollover, subject to the elections that are set forth below.

[a] Loans.

- [i] ☐ Not applicable. Loans are not permitted under the Plan.

- [ii] ☐ Loans ☐ may / ☐ may not be distributed as part of an in-Plan Roth rollover.

- [b] The minimum amount that may be rolled over is \$ *(may not exceed \$1,000)*.

- [c] In-Plan Roth rollovers may be made:

- [i] ☐ only from accounts that are fully vested; or

- [ii] ☐ from accounts that are non-vested, partially vested and fully vested.

6.3 **Vesting.** At any given time, a Participant's vesting in his or her Plan accounts shall be determined in accordance with Section 6.3 of the Basic Plan Document and the elections that are set forth below.

- (a) **Employer Discretionary Contributions:** A Participant's vested percentage in his or her Employer Discretionary Contribution Account shall be determined in accordance with the vesting schedule that is elected below for any Plan Year in which the Plan is not top-heavy pursuant to Article XIII of the Basic Plan Document.

- (1) ☐ Not applicable. Employer Discretionary Contributions are not permitted.

- (2) ☐ Full and immediate vesting *(required if Eligibility Code [d] is designated as an eligibility requirement in Item 3.1(b)(1) (completion of two (2) Years of Service) with respect to Employer Discretionary Contributions)*.

- (3) ☐ 2-Year Cliff
- | <u>Years of Service</u> | <u>Vested Percentage</u> | <u>Forfeited Percentage</u> |
|-------------------------|--------------------------|-----------------------------|
| Less than 2 | 0% | 100% |
| 2 or more | 100% | 0% |

- (4) ☒ 3-Year Cliff
- | <u>Years of Vesting Service</u> | <u>Vested Percentage</u> | <u>Forfeited Percentage</u> |
|---------------------------------|--------------------------|-----------------------------|
| Less than 3 | 0% | 100% |
| 3 or more | 100% | 0% |

(5)	<input type="checkbox"/>	4-Year Graded		
		<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
		Less than 1	0%	100%
		1	25%	75%
		2	50%	50%
		3	75%	25%
		4 or more	100%	0%

(6)	<input type="checkbox"/>	5-Year Graded		
		<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
		Less than 1	0%	100%
		1	20%	80%
		2	40%	60%
		3	60%	40%
		4	80%	20%
		5 or more	100%	0%

(7)	<input type="checkbox"/>	6-Year Graded		
		<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
		0-1	0%	100%
		2	20%	80%
		3	40%	60%
		4	60%	40%
		5	80%	20%
		6 or more	100%	0%

- (8) ☐ Other: *(must be at least as liberal as the schedules in Items 6.3(a)(4) or (7) above).*

(Note: the selection of this Item (8) is a variation from the volume submitter document and will result in the loss of the Employer's ability to rely on the Volume Submitter Sponsor's advisory letter. The Employer will be required to apply for a determination letter from the IRS in order to obtain reliance as to the Plan's qualified status.)

- (9) ☐ **Preservation of Pre-PPA Schedule for Certain Participants:** If this Item 6.3(a)(9) is selected, then this special rule shall apply notwithstanding the elections made in Items 6.3(a)(1) through (8) above. The vesting schedule that is elected above for Employer Discretionary contributions applies only to Participants who complete at least one Hour of Service after December 31, 2006 and shall apply to the extent elected below.

[i] ☐ The vesting schedule elected in Items 6.3(a)(1) through (8) above shall apply with respect to all Employer Discretionary Contributions.

[ii] ☐ The vesting schedule elected in Items 6.3(a)(1) through (8) above shall apply only to those Employer Discretionary Contributions that are made for Plan Years that begin after December 31, 2006. The vesting schedule that is specified under the Prior Plan shall continue to apply to Employer Discretionary Contributions made in prior Plan Years.

- (b) **Employer Matching Contributions:** A Participant's vested percentage in his or her Employer Matching Contribution Account shall be determined in accordance with the vesting schedule that is elected below for any Plan Year in which the Plan is not top-heavy pursuant to Article XIII of the Basic Plan Document.

- (1) ☒ Not applicable. Employer Matching Contributions are not permitted.

(2) ☐ Full and immediate vesting *(required if Eligibility Code [d] is designated as an eligibility requirement in Item 3.1(b)(1) (completion of two (2) Years of Service) with respect to Employer Matching Contributions).*

(3) ☐ 2-Year Cliff

<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
Less than 2	0%	100%
2 or more	100%	0%

(4) ☐ 3-Year Cliff

<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
Less than 3	0%	100%
3 or more	100%	0%

(5) ☐ 4-Year Graded

<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
Less than 1	0%	100%
1	25%	75%
2	50%	50%
3	75%	25%
4 or more	100%	0%

(6) ☐ 5-Year Graded

<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
Less than 1	0%	100%
1	20%	80%
2	40%	60%
3	60%	40%
4	80%	20%
5 or more	100%	0%

(7) ☐ 6-Year Graded

<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
0-1	0%	100%
2	20%	80%
3	40%	60%
4	60%	40%
5	80%	20%
6 or more	100%	0%

(8) ☐ Other: *(must be at least as liberal as the schedules in Items 6.3(b)(4) or (7) above).*

(Note: the selection of this Item 6.3(b)(8) is a variation from the volume submitter document and will result in the loss of the Employer's ability to rely on the Volume Submitter Sponsor's advisory letter. The Employer will be required to apply for a determination letter from the IRS in order to obtain reliance as to the Plan's qualified status.)

(9) ☐ **Preservation of Pre-EGTRRA Schedule for Certain Participants:** If this Item 6.3(b)(9) is selected, this special rule shall apply notwithstanding the election that is made in Items (1) through (8) above. The vesting schedule that is elected for Employer Matching Contributions applies only to Participants who complete at least one Hour of Service during a Plan year that begins after December 31, 2001 and shall apply to the extent elected below.

[i] ☐ The vesting schedule elected in Items 6.3(b)(1) through (8) above shall apply with respect to all Employer Matching Contributions.

[ii] ☐ The vesting schedule elected in Items 6.3(b)(1) through (8) above shall apply only to those Employer Matching Contributions that are made for Plan Years that begin after December 31, 2001. The vesting schedule that is specified under the Plan as in effect prior to the first Plan Year that begins after December 31, 2001 shall continue to apply to Employer Matching Contributions made in prior Plan Years.

(c) **Pension Transfer Account:** A Participant's vested percentage is his or her Pension Transfer Account shall be determined in accordance with the vesting schedule that is elected below for any Plan Year in which the Plan is not top-heavy pursuant to Article XIII of the Basic Plan Document.

(1) ☒ Not applicable. The Plan does not maintain any Pension Transfer Accounts.

(2) ☐ Full and immediate vesting.

(3) ☐ 2-Year Cliff

<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
Less than 2	0%	100%
2 or more	100%	0%

(4) ☐ 3-Year Cliff

<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
Less than 3	0%	100%
3 or more	100%	0%

(5) ☐ 4-Year Graded

<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
Less than 1	0%	100%
1	25%	75%
2	50%	50%
3	75%	25%
4 or more	100%	0%

(6) ☐ 5-Year Graded

<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
Less than 1	0%	100%
1	20%	80%
2	40%	60%
3	60%	40%
4	80%	20%
5 or more	100%	0%

(7) ☐ 6-Year Graded

<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
0-1	0%	100%
2	20%	80%
3	40%	60%
4	60%	40%
5	80%	20%
6 or more	100%	0%

(8) ☐ Other: *(must be at least as liberal as the vesting schedule provided under the terms of the plan from which amounts credited to a Participant's Pension Transfer*

Account were transferred to this Plan and, in any event, not slower than the schedules in Items 6.3(c)(4) or (7) above).

(Note: the selection of this Item 6.3(c)(8) is a variation from the volume submitter document and will result in the loss of the Employer's ability to rely on the Volume Submitter Sponsor's advisory letter. The Employer will be required to apply for a determination letter from the IRS in order to obtain reliance as to the Plan's qualified status.)

- (9) ☐ **Preservation of Pre-PPA Schedule for Certain Participants:** If this Item 6.3(c)(9) is selected, this special rule shall apply notwithstanding the election that is made in Items (1) through (8) above. The vesting schedule elected above for amounts credited to a Participant's Pension Transfer account applies only to Participants who complete at least one Hour of Service after December 31, 2006 and shall apply to the extent elected below.

[i] ☐ The vesting schedule elected in Items 6.3(c)(1) through (8) above shall apply with respect to all amounts credited to a Participant's Pension Transfer Account.

[ii] ☐ The vesting schedule elected in Items 6.3(c)(1) through (8) above shall to only that portion of a Participant's Pension Transfer Account that is attributable to Employer contributions made for Plan Years that begin after December 31, 2006. The vesting schedule specified under the Prior Plan shall continue to apply to that portion of a Participant's Pension Transfer Account that is attributable to Employer contributions made in prior Plan Years.

- (d) **Top-Heavy Vesting Schedules:** The vesting schedules elected below in this Item 6.3(c)(d) shall apply, notwithstanding the vesting schedules that are elected in Items 6.3(a) through (c) above for any Plan Year during which the Plan is top-heavy pursuant to pursuant to Article XIII of the Basic Plan Document.

N/A – This is a governmental plan and, therefore, exempt from the requirements of Code Section 416 and the regulations thereunder.

(1) **Employer Discretionary Contributions:**

[a] ☐ Not applicable. Employer Discretionary Contributions are not permitted under the Plan, or the vesting schedule that is elected above satisfies the top-heavy minimum vesting requirements.

[b] ☐ 3-Year Cliff

<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
Less than 3	0%	100%
3 or more	100%	0%

[c] ☐ 6-Year Graded

<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
0-1	0%	100%
2	20%	80%
3	40%	60%
4	60%	40%
5	80%	20%
6 or more	100%	0%

(2) **Employer Matching Contributions:**

[a] ☐ Not applicable. Employer Matching Contributions are not permitted under the Plan, or the vesting schedule that is elected above already satisfies the top-heavy minimum vesting requirements.

[b] ☐ 3-Year Cliff

<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
Less than 3	0%	100%
3 or more	100%	0%

[c] ☐ 6-Year Graded

<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
0-1	0%	100%
2	20%	80%
3	40%	60%
4	60%	40%
5	80%	20%
6 or more	100%	0%

(3) **Pension Transfer Account:**

[a] ☐ Not applicable. The Plan does not maintain any Pension Transfer Accounts, or the vesting schedule that is elected above already satisfies the top-heavy minimum vesting requirements.

[b] ☐ 3-Year Cliff

<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
Less than 3	0%	100%
3 or more	100%	0%

[c] ☐ 6-Year Graded

<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
0-1	0%	100%
2	20%	80%
3	40%	60%
4	60%	40%
5	80%	20%
6 or more	100%	0%

6.4 **Time of Payment:** Distributions to terminated Participants shall occur in accordance with Section 6.3(c) of the Basic Plan Document and the elections set forth below. A distribution that exceeds the involuntary cashout limit that is set forth in Item 6.7 of this Adoption Agreement shall be made to the Participant:

- (a) ☒ within a reasonable time following the Participant's election to receive a distribution;
- (b) ☐ within a reasonable time following the end of the Plan Year during which the Participant elects to receive a distribution; or
- (c) ☐ within a reasonable time following the end of the Plan Year during which the Participant elects to receive a distribution. However, a Participant may elect to receive payment of his or her benefit under the Plan within sixty (60) days following employment termination, provided that he or she agrees to pay any and all fees that are charged by the Trustee in connection with any special valuation that is necessary to determine the Participant's benefit.

6.5 **Form of Benefit:** In addition to the forms of benefit that are provided under Section 6.4(b) of the Basic Plan Document, the Employer elects to offer the optional forms of payment that are elected below.

- (a) ☒ Not applicable. Additional forms of payment are not offered under the Plan.
- (b) ☐ Installment payments made not less frequently than annually for a specified number of years, with income allocated on any unpaid balance that remains at the end of each Plan Year.
- (c) ☐ Any of the following optional annuity forms of payment *(may not be selected if either of Items 6.6(a) or 6.6(b) of this Adoption Agreement is selected)*:
- (1) ☐ a monthly benefit payable for the life of the Participant with or without a period certain (5 years or 10 years) as specified by the Participant; and/or
- (2) ☐ a monthly benefit payable for the life of the Participant with a percentage (50%, 66 2/3%, 75% or 100%) of such monthly benefit as specified by the Participant to his or her designated beneficiary after his or her death.

6.6 **Application of Joint and Survivor Annuity Requirements:** Section 6.4(c) of the Basic Plan Documents requires that benefits be paid in the form of certain kinds of annuities unless certain requirements are met.

- (a) ☒ The Plan satisfies the safe harbor rules that are set forth in Section 6.4(c)(2) of the Basic Plan Document. Therefore, the joint and survivor annuity requirements of Section 6.4(c)(2) of the Basic Plan Document and Code Sections 401(a)(11) and 417 shall not apply.

This is a governmental plan to which the survivor annuity requirements of Internal Revenue Code Sections 401(a)(11) and 417 do not apply. Notwithstanding the foregoing, if a participant is married: (i) any distribution from the Plan shall be subject to written participant and spousal consent, except to the extent that such distribution is subject to the automatic cash-out rules set forth in Item 6.7 of this Adoption Agreement; and (ii) the participant's spouse must provide written consent on forms provided by the Plan Administrator or its delegate to the participant's selection of a primary beneficiary other than the spouse.

- (b) ☐ The Plan contains assets that were transferred within the meaning of Code Section 414(1) to this Plan from a money purchase pension plan or target benefit plan that was qualified under Code Section 401(a). The joint and survivor annuity requirements of Section 6.4(c) of the Basic Plan Document and Code Sections 401(a)(11) and 417 shall apply:
- (1) ☐ only to amounts that are credited to a Participant's frozen Pension Transfer Account; or
- (2) ☐ to the entire amount that is credited to a Participant's accounts under the Plan, but only with respect to each Participant for whom assets were transferred within the meaning of Code Section 414(1) to this Plan from a money purchase pension plan or target benefit plan that was qualified under Code Section 401(a).
- (c) ☐ The Plan offers annuity forms of payment. Therefore, the joint and survivor annuity requirements that are set forth in Section 6.4(c) of the Basic Plan Document and Code Sections 401(a)(11) and 417 shall apply.
- (d) Qualified elections shall be made in accordance with Article VI of the Basic Plan Document and the elections that are set forth below. *(Complete only if either of Items 6.6(b) or (c) above is selected.)*
- (1) ☐ A Participant who has not attained age 35 as of the end of any current Plan Year ☐ may/
☐ may not make a special Qualified Election pursuant to Section 6.4(c)(6)[b] of the Basic Plan Document.
- (2) ☐ For purposes of Section 6.4(b)(7) of the Basic Plan Document, ☐ 100% / ☐ 50% of a Participant's entire account balance (or, if Item 6.6(b)(1) above is selected, a Participant's

frozen Pension Transfer Account balance) under the Plan shall be subject to any applicable spouse consent requirements.

6.7 ☒ **Involuntary Cashout Distributions:** If this Item 6.7 is selected, the involuntary cashout provisions of Section 6.3(c) of the Basic Plan Document shall apply.

(a) **Cashout Limit:** Participant consent shall not be required for distributions that do not exceed:

- (1) ☐ \$1,000; or
(2) ☒ \$5,000.

(b) **Mandatory Rollover of Involuntary Cashout Distributions:** Relevant law requires that involuntary cashout distributions that exceed \$1,000 but do not exceed \$5,000 be automatically transferred as a direct rollover into an individual retirement plan in accordance with Section 6.3(c) of the Basic Plan Document. The same rules ☐ shall / ☒ shall not apply with respect to involuntary cashout distributions that do not exceed \$1,000.

(c) **Rollovers Considered When Determining Involuntary Cashout Distributions:** The portion of the account balance that is attributable to rollover contributions (and earnings allocable thereto) within the meaning of Code Sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)A(ii) and 457(e)(16) ☐ shall / ☒ shall not be included in the Participants vested account balance for purposes of applying the involuntary cashout provisions of Section 6.3(c) of the Basic Plan Document.

6.8 **Required Minimum Distributions:**

(a) **Required Beginning Date:** A Participant's required beginning date shall be determined in accordance with Section 6.4(a)(3) of the Basic Plan Document. For this purpose, if any Participant other than a 5% owner who does not make an election to defer distributions until retirement in accordance with Section 6.4(a)(3)[a] of the Basic Plan Document, the Participant will begin receiving distributions by April 1 of the calendar year following the year in which the Participant:

- (1) ☒ attained age 70½; or
(2) ☐ retired.

(b) **Suspension or Continuation of Minimum Distributions:** Required minimum distributions for a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 absent the enactment of Code Section 401(a)(9)(H) shall be administered in accordance with Section 6.5 of the Basic Plan Document and the election that is set forth below.

- (1) ☒ Required minimum distributions are not suspended for 2009. Affected Participants and Beneficiaries shall continue to receive such distributions in accordance with Section 6.5 of the Basic Plan Document.
- (2) ☐ Required minimum distributions shall continue for 2009 for each affected Participant or Beneficiary unless the Participant or Beneficiary chooses not to receive such distributions.
- (3) ☐ Required minimum distributions shall be suspended for 2009 for each affected Participant or Beneficiary unless the Participant or Beneficiary chooses to receive such distributions.

(c) **Direct Rollovers of Minimum Distributions:** The following election shall apply for purposes of the direct rollover provisions under Section 6.4(b)(2) of the Basic Plan Document and with respect to 2009 required minimum distributions and 2009 extended required minimum distributions, each of which is defined in Section 6.5(h) of the Basic Plan Document.

- (1) ☒ Required minimum distributions and extended required minimum distributions for 2009 shall not be treated as eligible rollover distributions.
- (2) ☐ Required minimum distributions and extended required minimum distributions for 2009 shall be treated as eligible rollover distributions.
- (3) ☐ Required minimum distributions and extended required minimum distributions for 2009 shall be treated as eligible rollover distributions only if paid with an additional amount that is an eligible rollover distribution without regarding to Code Section 401(a)(9)(H).
- 6.9 ☐ **Hardship Withdrawals of Elective Deferrals:** If this Item 6.9 is selected, hardship withdrawals of pretax Elective Deferrals are permitted in accordance with Section 6.8 of the Basic Plan Document. The elections that are set forth below shall apply with respect to amounts that are credited to a Participant's Roth Elective Deferral Account.
- (a) ☐ Not applicable. Roth Elective Deferrals are not permitted under the Plan.
- (b) ☐ Roth Elective Deferrals shall be available for hardship withdrawal, but only to the extent that the combined balance in the Participant's other Plan accounts is not sufficient to satisfy the amount of the hardship withdrawal request.
- (c) ☐ Roth Elective Deferrals shall not be available for hardship withdrawal.
- 6.10 ☐ **Loans to Participants:** If this Item 6.10 is selected, loans from the Plan shall be permitted in accordance with Section 6.9 of the Basic Plan Document. The following elections shall apply with respect to loans from a Participant's Roth Elective Deferral Account.
- (a) ☐ Not applicable. Roth Elective Deferrals are not permitted under the Plan.
- (b) ☐ Amounts that are credited to a Participant's Roth Elective Deferral Account shall be available for loan, but only to the extent that the combined balance in the Participant's other Plan accounts are not sufficient to satisfy the amount of the loan.
- (c) ☐ Amounts that are credited to a Participant's Roth Elective Deferral Account shall not be available for loan. If this Item 6.10(c) is selected:
- (1) ☐ amounts that are credited to a Participant's Roth Elective Deferral Account shall be considered when determining the collateral for the loan or the maximum loan amount that may be borrowed by the Participant; or
- (2) ☐ amounts that are credited to a Participant's Roth Elective Deferral Account shall not be considered as collateral for the loan or for determining the maximum loan amount that may be borrowed by the Participant.
- 6.11 ☒ **Participant Investment Direction:** If this Item 6.11 selected, each Participant shall be permitted to direct the investment of his or her entire interest in the Plan.
- 6.12 ☐ **Qualified Reservist Distributions:** If this Item 6.12 is selected, the Plan permits Qualified Reservist Distributions in accordance with Section 6.11 of the Basic Plan Document effective as of *(not earlier than January 1, 2007)*. The following elections shall apply with respect to Qualified Reservist Distributions from a Participant's Roth Elective Deferral Account.
- (a) ☐ Not applicable. Roth Elective Deferrals are not permitted under the Plan.
- (b) ☐ Roth Elective Deferrals shall be available for distribution under the Qualified Reservist Distribution provisions of the Plan , but only to the extent that the Participant's Pretax Elective Deferral Account balance is not sufficient to satisfy the amount of the distribution request.

- (c) ☐ Roth Elective Deferrals shall not be available for distribution under the Qualified Reservist Distribution provisions of the Plan.
- 6.13 ☐ **Distribution Upon Deemed Severance From Employment:** If this Item 6.13 is selected, effective as of *(not earlier than January 1, 2009)* the Plan permits the distribution of Elective Deferrals upon a Participant's deemed severance from employment in accordance with Section 6.12 of the Basic Plan Document. The following elections shall apply with respect to distributions from a Participant's Roth Elective Deferral Account upon his or her deemed severance from employment.
- (a) ☐ Not applicable. Roth Elective Deferrals are not permitted under the Plan.
- (b) ☐ Roth Elective Deferrals shall be available for distribution upon a Participant's deemed severance from employment, but only to the extent that the Participant's Pretax Elective Deferral Account balance is not sufficient to satisfy the amount of the distribution request.
- (c) ☐ Roth Elective Deferrals shall not be available for distribution upon a Participant's deemed severance from employment.

ARTICLE VII -- MISCELLANEOUS

7.1 Reliance on Advisory Letter of Volume Submitter Sponsor:

An adopting Employer of this volume submitter plan may rely on the advisory letter that has been issued by the Internal Revenue Service to the Volume Submitter Sponsor to the extent provided in Revenue Procedure 2011-49, as modified by Revenue Procedure 2012-6. The adopting Employer may amend the Plan by modification to the terms of the pre-approved volume submitter document. Any such modifications (including, but not limited to the modifications noted throughout this Adoption Agreement) will result in the loss of the adopting Employer's ability to rely on the advisory letter. In order for an adopting Employer to have reliance with respect to the Plan's qualified status where modifications are made to the Adoption Agreement and/or Basic Plan Document, an application for a favorable determination letter must be made by the Employer to the Employee Plans Determinations division of the Internal Revenue Service.

This Adoption Agreement may be used only in conjunction with the Foster, Swift, Collins & Smith, P.C. Volume Submitter Defined Contribution Plan. Failure to properly complete this Adoption Agreement may result in disqualification of the Plan. Foster, Swift, Collins & Smith, P.C. will notify the Employer at the address specified in Item 1.1(a) of this Adoption Agreement of any amendment to the Plan or of the discontinuance or abandonment of the volume submitter plan document.

This Plan may be adopted for use only by an Employer that retains Foster, Swift, Collins & Smith, P.C. as its employee benefits counsel for the Plan. If the Plan does not satisfy this criteria, this document will not be considered a volume submitter plan and will be treated as an individually designed plan.

7.2 Volume Submitter Sponsor Information:

Foster, Swift, Collins & Smith, P.C.
313 South Washington Square
Lansing, Michigan 48933-2193
(517) 371-8100
fosterswift.com

[Signature page follows]

ARTICLE VIII — SIGNATURES

This Adoption Agreement (including Addendums A and/or B where applicable) and the corresponding provisions of the Basic Plan Document No. 01 and (if Item 1.3(f)(3)[a] of the Adoption Agreement is selected) the Foster, Swift, Collins & Smith, P.C. Volume Submitter Defined Contribution Trust Agreement are hereby adopted by the Employer effective as of the date that is set forth in Item 1.3(b) of this Adoption Agreement.

EMPLOYER:

CITY OF LANSING

Dated: _____

By: _____

Its: _____

ADDITIONAL EMPLOYER MEMBERS:

54A DISTRICT COURT

Dated: _____

By: _____

Its: _____

- ☐ The signature of the Trustee appears on a separate Trust Agreement attached to and incorporated by reference into the Basic Plan Document No. 01, or
- ☒ The Trustee hereby adopts the provisions of this Adoption Agreement and the corresponding provisions of the Basic Plan Document No. 01 and the related Foster, Swift, Collins & Smith, P.C. Volume Submitter Defined Contribution Trust Agreement:

Dated: _____

Wells Fargo Bank, N.A., Trustee

Addendum A

Superseding or Additional Provisions Addendum.

The Employer hereby adopts the additional or superseding provisions that are set forth below. Such provisions shall supersede or add to the provisions of this Adoption Agreement and/or Basic Plan Document, as applicable. *(Note: All superseding or additional provisions are variations from the volume submitter document. Adoption of such provisions will result in the loss of the Employer's ability to rely on the Volume Submitter Sponsor's advisory letter. The Employer will be required to apply for a determination letter from the IRS in order to obtain reliance as to the Plan's qualified status. In certain circumstances, the adoption of superseding or additional provisions may affect the Plan's status as a pre-approved volume submitter plan that is eligible for the 6-year remedial amendment cycle.)*

A. Modification of Section 2.1 of the Basic Plan Document:

The following new subsections (bbb) through (ggg) are added at the end of Section 2.1 of the Basic Plan Document:

(bbb) Employee After-Tax Contribution Account. The account maintained for a Participant to record his after-tax contributions made pursuant to Section 18.2 of the Basic Plan Document (as added by Item E. of this Addendum A) and adjustments thereto.

(ccc) Employee After-Tax Contributions. Those contributions made pursuant to Section 18.2 of the Basic Plan Document (as added by Item E. of this Addendum A).

(ddd) Employee Pretax Contribution Account. The account maintained for a Participant to record his pretax contributions made pursuant to Section 18.1 of the Basic Plan Document (as added by Item E. of this Addendum A) and adjustments thereto.

(eee) Employee Pretax Contributions. Those contributions made pursuant to Section 18.1 of the Basic Plan Document (as added by Item E. of this Addendum A).

(fff) Severance Date. The earlier of (i) the date an Employee retires, dies, quits, or is discharged from employment with the Employer and all related employers (as defined in Code Sections 414(b), (c), (m) or (o)) or (ii) the 12-month anniversary of the date on which the Employee was otherwise first absent from employment; provided, however, that if an individual terminates or is absent from employment with the Employer and all related employers because of military duty, such individual shall not incur a Severance Date if his employment rights are protected under Federal law and he returns to employment with the Employer or a related employer within the period during which he retains such employment rights; however, if he does not return to such employment within such period, his Severance Date shall be the earlier of (1) the anniversary of the date his absence commenced or (2) the last day of the period during which he retains such employment rights.

(ggg) Vesting Service. An Employee's service that is taken into account in determining his vested interest in his Employer Contribution Account as may be required under this Section 2.1(ggg). Vesting Service shall be credited to an Employee for the aggregate of the periods beginning with his employment commencement date (the date on which the Employee first performs an Hour of Service), or if the Hour of Service follows a termination of employment with the Employer and all related employers (the "Reemployment Commencement Date") and ending on his subsequent Severance Date; provided, however, that an Employee who has a Reemployment Date within the consecutive 12-month period following the earlier of the first date of his absence or his Severance Date shall be credited with Vesting Service for the period between his Severance Date and his Reemployment Date. Fractional periods of a year shall be expressed in terms of days.

B. Modification of Section 2.1(o) of the Basic Plan Document:

Section 2.1(o) of the Basic Plan Document is replaced in its entirety with the following:

(o) Employee: Any person who, on or after the Effective Date, is receiving remuneration as a common law employee for personal services rendered to an Employer Member (or who would be receiving such

remuneration but for an Authorized Leave of Absence) or for personal services rendered to any other employer that must be aggregated with said Employer Member under Code Sections 414(b), (c), (m) or (o) and who is:

(1) an elected official, including and limited to any individual who became a Member of the Lansing City Council on or prior to July 1, 2009, the Mayor and the City Clerk; and

(2) solely for purposes of Article XIX (as added by Item D. of Addendum A to this Adoption Agreement), any individual who is described in Section 19.3 of the Basic Plan Document, as amended by Item E. of this Addendum A.

C. Addendum to Adoption Agreement Item 4.1(d)(1)[b][i]:

Each Employer Member may, for each Plan Year, contribute to the Trust Fund an amount which, when added to any forfeitures that have become available for allocation as of the end of that Year pursuant to Section 4.5 of the Basic Plan Document, will be sufficient to credit the Employer Contribution Account of each Participant with an amount equal to six percent (6%) of the Participant's Compensation for the Plan Year. This contribution will be made for any Participant who completes one Hour of Service in that Plan Year.

D. Modification of Section 3.3(b) of the Basic Plan Document:

The last paragraph of Section 3.3(b) of the Basic Plan Document is replaced in its entirety with the following:

"Notwithstanding the foregoing, for purposes of computing vested benefits under Section 6.3 of the Basic Plan Document in the case of any Employee who has any one-year absence, Years of Service before such absence shall not be taken into account until the Employee has completed one year of Vesting Service after his reemployment."

E. Addition of Articles XVIII, XIX and XX to Basic Plan Document

The following Articles XVIII, XIX and XX are added at the end of the Basic Plan Document notwithstanding any provision of the Plan to the contrary.

ARTICLE XVIII – SPECIAL CONTRIBUTIONS

The provisions of this Article XVIII shall apply notwithstanding any provisions of the Plan to the contrary.

18.1 Employee Pretax Contributions. In addition to the Employer Contribution set forth in Item 4.1(d) of the Adoption Agreement and the Employee After-Tax Contribution set forth in Section 18.2 below, each Participant may make an irrevocable one-time election within 30 days of the later of the effective date of this Section 18.1 or the Participant's date of hire, to participate in the "pick up feature" of the Plan in accordance with Code Section 414(h). If the Participant elects to participate in the pick up feature of the Plan, he will elect to contribute 0% - 5% of his Compensation (in whole percentages) to the Plan, which contribution shall be "picked up" by the Employer pursuant to Code Section 414(h)(2) and allocated to the Participant's Employee Pretax Contribution Account. All such picked up contributions shall be paid to the Plan by the Employer in lieu of contributions by the Participant. The Participant shall not have the option to choose to receive the contributed amounts directly instead of having them paid by the Employer to the Plan.

Any Employee Pretax Contributions shall be paid to the Trustee, and payment shall be made not later than the date prescribed by law for filing the Employer's federal income tax return, including extensions which have been granted for the filing of such tax return. Each Participant shall be 100% vested at all times in the entire amount credited to his Employee Pretax Contribution Account.

18.2 After-Tax Contributions by Participants. A Participant may elect to make Employee After-Tax Contributions to the Plan. All such elections to start, suspend, resume or change the rate of after-tax contributions shall be made on such form as may be provided by the Plan Administrator at such times as set forth in the respective bargaining unit contracts or personnel rules. After-tax contributions received or withheld by the Employer shall be contributed to the Trust as soon as the amount can be withdrawn from the Employer's assets, but in no event later than the date required by law or binding regulation. After-tax contributions shall be credited to a Participant's

Employee After-Tax Contribution Account and shall be 100% vested at all times. All distributions from a Participant's Employee After-Tax Contribution Account will be subject to Article VI of the Basic Plan Document.

As of any Plan Year end, a Participant may elect, with the written consent of his Spouse, to withdraw from his Employee After-Tax Contribution Account up to an amount not to exceed the total of his contributions then credited to said Account (less amounts previously withdrawn) less adjustments in market value and less charges to his account, if any. Elections to withdraw contributions shall be in writing, signed by the Participant and on such form or forms as the Plan Administrator shall provide. No forfeitures will occur solely as a result of a Participant's withdrawal of after-tax contributions.

The limitations of Code Section 401(m) as applied to Employee contributions shall not apply to this Plan because it is maintained by a governmental entity.

ARTICLE XIX – TREATMENT OF SCHEDULE A EMPLOYEES

The provisions of this Article XIX shall apply notwithstanding any provisions of the Plan to the contrary.

19.1 Applicability. Notwithstanding any Plan provision to the contrary, the provisions of this Article XIX shall apply solely with respect to those individuals who become Schedule A Employees on and after the Effective Date (as defined in Section 19.2(a) below) and who become Participants in the Plan in accordance with this Article XIX. The provisions of this Article XIX supersede the provisions of the Plan to the extent, and only to the extent, that such Plan provisions are inconsistent with the provisions of this Article XIX. This Article XIX shall not be construed: (a) as providing any retirement benefits under the Plan for any individual to whom this Article XIX does not apply; and/or (b) causing any Participant to whom this Article XIX does apply to receive retirement benefits under any other provision of this Plan.

19.2 Definitions. The following definitions shall apply solely for purposes of this Article XIX:

(a) Effective Date: The provisions of this Article XIX shall be effective as of September 17, 2012.

(b) Employee Mandatory Pretax Contribution Account. The account that is maintained by the Plan to record pretax contributions that are made by a Pick-Up Plan Participant pursuant to Section 19.4(a) of the Plan and adjustments relating thereto.

(c) Employee Mandatory Pretax Contributions. The contributions that are made pursuant to Section 19.4(a) of the Plan.

(d) Employer Contribution Account. The account that is maintained by the Plan to record Employer Contributions that are made for a Participant pursuant to Section 19.4(b) of the Plan.

(e) Employer Contributions. Those contributions that are made pursuant to Section 19.4(b) of the Plan.

(f) Pick-Up Plan Participant. A Schedule A Employee who participates in the Plan solely pursuant to this Article XIX. A Schedule A Employee who is a Pick-Up Plan Participant under this Article XIX shall not be permitted to participate in the Plan for any purpose other than as described in this Article XIX.

(g) Schedule A Employee: A common law employee of the Employer who meets either of the following requirements (1) or (2):

(1) the individual's terms of employment with the Employer are controlled by a collective bargaining agreement that is between the Employer and a bargaining unit listed on Schedule A to the Adoption Agreement and that was approved by the Lansing City Council on or after the Effective Date; or

(2) the individual's terms of employment with the Employer are controlled by an employment relationship between the Employer and the individual as a member of a non-bargaining unit listed on Schedule A to the Adoption Agreement.

Any Employee of the Employer who becomes a Schedule A Employee because of an internal job transfer at the Employer that occurs on or after the Effective Date shall be treated as a Schedule A Employee for purposes of this Article XIX as of the date on which said transfer is effective. An Employee of the Employer who participates in the Plan may, because of an internal job transfer at the Employer, cease to receive compensation for services rendered as a Schedule A Employee. Any compensation that is paid by the Employer to any such individual on or after the date on which said individual ceases to receive compensation for such services shall not be Compensation for purposes of this Article XIX.

(i) Vesting Service: A Pick-Up Plan Participant shall receive one Year of Service for vesting under Section 19.6 of the Plan for each Year of Service for vesting that the Pick-Up Plan Participant receives under the City of Lansing Employees' Retirement System.

19.3 Eligibility. Plan participation under this Article XIX shall be limited to (1) any individual who becomes a Schedule A Employee on and after the Effective Date, and (2) any individual whose internal job transfer at the Employer on or after the Effective Date causes him or her to become a Schedule A Employee. Each such individual shall become a Pick-Up Plan Participant in this Plan solely with respect to this Article XIX effective as of the date on which the individual first performs an Hour of Service as a Schedule A Employee. Each individual who becomes a Pick-Up Plan Participant in accordance with this Article XIX shall not be eligible to make elective deferral contributions to the Plan or to receive any Employer Contribution to the Plan under any provision of this Plan other than this Article XIX based on his or her employment with the Employer.

19.4 Pick-Up Feature for Pick-Up Plan Participants.

(a) Mandatory Pretax Contributions. On and after the Effective Date, each Pick-Up Plan Participant shall make a contribution to this "pick-up feature" of the Plan. The contribution that is made pursuant to this Section 19.4(a) shall be an amount equal to three percent (3%) of the Pick-Up Plan's Participant's Compensation for the year as that term is defined in Section 2.1(j) of the Basic Plan Document (as modified in Item 2.1(c) of the Adoption Agreement). The Compensation that would otherwise be paid to each such Pick-Up Plan Participant by the Employer shall be irrevocably reduced by the amount of the contribution that is required by this Section 19.4(a), and the Employer shall "pick up" said contribution (within the meaning of that phrase in Code Section 414(h)(2)) and shall contribute said amount to the Participant's Employee Mandatory Pretax Contribution Account. The Pick-Up Plan Participant shall not have the option to choose to receive the contributed amounts directly instead of having them paid by the Employer to the Plan.

(b) Employer Contributions. On and after the Effective Date, the Employer shall contribute to the Trust Fund an amount that will be sufficient to credit the Employer Contribution Account of each Pick-Up Plan Participant with an amount that is equal to three percent (3%) of the Pick-Up Plan Participant's Compensation for the year as that term is defined in Section 2.1(j) of the Basic Plan Document (as modified in Item 2.1(c) of the Adoption Agreement). This Contribution shall be made for any Pick-Up Plan Participant who completes at least one Hour of Service during the Plan Year.

19.5 Individual Accounts. Any Pick-Up Plan Participant who receives contributions pursuant to this Article XIX shall have the following two accounts: an Employee Mandatory Pretax Contribution Account and an Employer Contribution Account. Such individual shall also have a Transfer Account, if applicable.

19.6 Vesting Schedule for Pick-Up Plan Participants. The extent to which a Participant is vested in amounts that are credited to his or her Article XIX Plan Accounts will be determined in accordance with paragraphs (a) and (b) below. If a Pick-Up Plan Participant's employment with the Employer is terminated before the Normal Retirement Age for any reason other than Disability or death, the Pick-Up Plan Participant shall be entitled to the sum of:

(a) The entire amount that is credited to his or her Employee Mandatory Pretax Contribution Account, if any, and his or her Transfer Account, if any, plus

(b) An amount equal to the “vested percentage” of his or her Employer Contribution Account that is determined in accordance with the following schedule:

No of Years of Vesting Service	Vested Percentage	Forfeited Percentage
0 – 7	0%	100%
8 or more	100%	0%

ARTICLE XX – APPLICABLE LAW

This Plan is a governmental Plan (as defined in Code Section 414(d)). Therefore, the following provisions shall apply notwithstanding any provision of the Plan to the contrary.

20.1 ERISA. This Plan is not subject to the requirements of the Employee Retirement Income Security Act of 1974 or related Department of Labor regulations. As a result, the provisions of this Adoption Agreement and the Basic Plan Document that set forth the various requirements under ERISA shall be inoperative.

20.2 Required Minimum Distributions. The Plan shall be treated as having satisfied the requirements of Code Section 401(a)(9) if the Plan, in operation, complies with a reasonable good faith interpretation of Code Section 401(a)(9) and the regulations thereunder.

20.3 Top-Heavy Requirements. The Plan is not subject to the top-heavy requirements of Code Sections 401(a)(10) and 416 and the regulations thereunder. Therefore, the provisions of this Adoption Agreement and the Basic Plan Document that set forth such top-heavy requirements shall be inoperative.

20.4 Domestic Relations Orders. The Plan is exempt from Code Section 414(p) and the regulations thereunder. Therefore, the provisions of this Adoption Agreement and Basic Plan Document that set forth the requirements of Code Section 414(p) shall be inoperative. A domestic relations order with which the Plan complies will be treated as if it were a qualified domestic relations order for the purpose of determining the tax consequences of any distribution under such order.

Addendum B

Prior Plan Protected Benefits Addendum

This Addendum contains provisions that are designed to preserve one or more benefit structures under the Prior Plan that are protected benefits under Code Section 411(d)(6). Such provisions shall supersede any inconsistent provisions of this Adoption Agreement and/or Basic Plan Document, as applicable. *(Note: Completion of this Addendum B is a variation from the volume submitter document. The Employer will be required to apply for a determination letter from the IRS in order to obtain reliance as to the Plan's qualified status. In certain circumstances, the addition of provisions to this Addendum B may affect the Plan's status as a pre-approved volume submitter plan that is eligible for the 6-year remedial amendment cycle.)*

Addendum to Adoption Agreement Item 1.3(b)(3):

Effective October 1, 1990, the City of Lansing established the City of Lansing Employees' Money Purchase Pension Plan and Trust Agreement (the "Money Purchase Pension Plan") to enable its eligible employees to plan for their retirement. The Money Purchase Pension Plan included amounts that were transferred from the General Employees Retirement System on behalf of certain employees who executed an "Irrevocable Election to Terminate Membership in General Employees Retirement System and Transfer to Successor Plan, and Release and Waiver of All Future Benefit Claims from City and General Employees Retirement System" (the "Transferred Amounts").

The Money Purchase Pension Plan was amended and restated as the City of Lansing Defined Contribution Plan (the "Defined Contribution Plan") effective as of January 1, 2009. A portion of the Defined Contribution Plan assets were therefore attributable to amounts that were contributed to the Money Purchase Pension Plan, including the Transferred Amounts. Notwithstanding the foregoing, any assets that are attributable to the Money Purchase Pension Plan, including the Transferred Amounts, and that remain in the Defined Contribution Plan shall be subject to the same distribution and spousal consent rules that apply to other Defined Contribution Plan assets as set forth in the Adoption Agreement.

SCHEDULE A

I. Bargaining Units

An individual whose terms of employment are governed by a collective bargaining agreement between the Employer and a bargaining unit that is listed below is eligible to participate in the Defined Contribution Plan pursuant to the terms of the Plan.

Name of Bargaining Unit	Effective Date
Teamsters Local No. 214 Supervisory and Non-supervisory	September 17, 2012
Teamster 243 – 54-A District Court (formerly Teamster 580 – 54-A District Court)	March 31, 2014
Teamster 243 Supervisory (formerly Teamster 580 Supervisory)	May 19, 2014
Teamster 243 Clerical, Technical, and Professional (formerly Teamster 580 Clerical, Technical, and Professional)	May 19, 2014

II. Non-Bargaining Units

An individual whose terms of employment are governed by an employment relationship between the Employer and a non-bargaining unit classification that is listed below is eligible to participate in the Defined Contribution Plan pursuant to the terms of the Plan.

Name of Non-Bargaining Unit Classification	Effective Date
54-A District Court Non-Bargaining Unit Employees	June 1, 2014



FOSTER, SWIFT, COLLINS & SMITH, P.C.

VOLUME SUBMITTER DEFINED CONTRIBUTION TRUST AGREEMENT

FOSTER, SWIFT, COLLINS & SMITH, P.C.

VOLUME SUBMITTER DEFINED CONTRIBUTION TRUST AGREEMENT

Foster, Swift, Collins & Smith, P.C. (hereinafter "Foster Swift") hereby promulgates the Foster, Swift, Collins & Smith, P.C. Volume Submitter Defined Contribution Trust Agreement. By their respective signatures on the Foster, Swift, Collins & Smith, P.C. Volume Submitter Defined Contribution Plan Adoption Agreement (the "Adoption Agreement"), the Employer, each Employer Member, if any, and the Trustee (all as named in said Adoption Agreement) hereby agree to the terms and conditions of this Trust Agreement.

WITNESSETH:

WHEREAS, the Employer has adopted the Foster, Swift, Collins & Smith, P.C. Volume Submitter Defined Contribution Plan for its eligible employees (hereinafter referred to as the "Plan"); and

WHEREAS, if the Employer maintained a Prior Plan, the Employer hereby completely amends and restates the preexisting Trust Agreement as of the Effective Date set forth in Item 1.3(b) of the Adoption Agreement; and

WHEREAS, a Plan Administrator has been appointed to administer the Plan; and

WHEREAS, under the Plan, funds shall from time to time be contributed to the Trustee, which funds shall constitute a trust fund to be held for the exclusive benefit of the Participants in the Plan or their beneficiaries, including payment of certain expenses; and

WHEREAS, the Employer wants the Trustee to hold, invest, reinvest and otherwise to administer the funds, and the Trustee has indicated its willingness to do so, all pursuant to the terms of this Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the Employer and the Trustee do hereby covenant and agree as follows:

ARTICLE I - DEFINITIONS AND CONSTRUCTION

1.1 Definitions: The following words and phrases listed below shall, when used herein, have the respective meanings set forth below unless their context clearly indicates otherwise:

- (a) Employer: The entity(ies) named in Items 1.1 and 1.2 of the Adoption Agreement.
- (b) Named Fiduciary: The Employer.
- (c) Plan: The Plan named in Item 1.3(a) of the Adoption Agreement.

(d) Plan Administrator: The Employer named in Item 1.1 of the Adoption Agreement.

(e) Special Trustee: The individual or entity named in Item 1.3(f)(3)[a][ii], where applicable.

(f) Trust (or Trust Fund): The fund named in Item 1.3(f)(1) of the Adoption Agreement.

(g) Trustee: The individual(s) or entity named in Item 1.3(f)(2) of the Adoption Agreement.

1.2 Construction: The words "hereof," "hereunder" and other similar compounds of the word "here" shall mean and refer to the entire Trust Agreement and not to any particular provision or section.

ARTICLE II - RECEIPT OF CONTRIBUTIONS AND PAYMENTS FROM TRUST FUND

2.1 The Trustee shall receive any contributions paid to it in cash and that shall have been delivered to it. All contributions so received, together with the income therefrom and any other increment thereon, (hereinafter collectively referred to as the "Trust Fund") shall be held and administered by the Trustee pursuant to the terms of this Agreement without distinction between principal and income and without liability for the payment of interest thereon. The Employer shall make contributions in such manner and at such times as shall be appropriate. The Trustee shall not be responsible for the calculation of any contribution under or required by the Plan, but shall be responsible for property received by it pursuant to this Agreement. Notwithstanding any provision of the Plan or Trust to the contrary, the Trustee or the Special Trustee, as elected in Item 1.3(f)(3)[a][i] or [ii] of the Adoption Agreement, shall be responsible for the collection of contributions on behalf of the Plan. When determining how to discard this duty to collect contributions, the Trustee or the Special Trustee, as the case may be, shall weigh the value of the Plan assets involved, the likelihood of a successful recovery, and the expenses expected to be incurred. Among other factors, the Trustee or Special Trustee, as the case may be, shall take into account the Employer's solvency in deciding whether to expend Plan assets to pursue a claim.

2.2 The Plan, this Agreement and the Trust Fund thereunder are intended to meet all the requirements of Code Sections 401(a) and 501(a), and the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

2.3 Subject to the limitations imposed by Section 2.4 of this Article, the Trustee shall from time to time on the written directions of the Plan Administrator make payments out of the Trust Fund to such persons, in such amounts and for such purposes as may be specified in the written directions of the Plan Administrator. To the extent permitted by law, the Trustee shall be under no liability for any payment made pursuant to the direction of the Plan Administrator. Any written direction of the Plan Administrator shall constitute a certification that the distribution or payment so directed is one which the Plan Administrator is authorized to direct.

2.4 Anything contained in this Agreement to the contrary notwithstanding, it shall be impossible at any time prior to the satisfaction of all liabilities with respect to Participants and their beneficiaries, for any part of the Trust Fund to be used for or diverted to purposes other than for the exclusive benefit of the participants under the Plan and their beneficiaries.

ARTICLE III - INVESTMENT OF TRUST

3.1 Subject to the provisions of Section 3.4 hereof and to the provisions of Article IV hereof, the Trustee or the Investment Manager (if an Investment Manager has been appointed) shall invest and reinvest the principal and income of the Trust Fund and keep the Trust Fund invested, without distinction between principal and income, in such securities or in such property, real or personal, tangible or intangible, or part interest therein, wherever situated, whether or not productive of income, or consisting of wasting assets, as the Trustee shall deem advisable, including but not limited to stocks, common or preferred, trust and participation certificates, interests in investment companies whether so-called "open-end mutual funds" or "closed-end mutual funds", common investment funds maintained, leaseholds, fee titles, bonds or notes and mortgages, and other evidences of indebtedness or ownership, irrespective of whether such securities or such property shall be of the character authorized by any state law from time to time for trust investments; provided, however, that investments shall be so diversified as to minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so, in the sole judgment of the person who is directing the investment of the Trust under the provisions of Article V, or in the sole judgment of the Trustee if it is managing the Trust Fund under such provisions.

3.2 The term "investment company" as used in Section 3.1 above shall include shares of open-end investment companies, including, without limiting the generality of the foregoing, such investment companies as are commonly known as "money-market funds". The Trustee shall use the price established and provided from time to time by any such open-end investment company for any valuation required under the terms of this Agreement.

3.3 The Trustee, subject to the direction of the Plan Administrator or its designated agent, shall have the power to apply for and acquire a level premium life insurance or annuity contract on the life of or for the benefit of any Participant, from any legal reserve life insurance company selected by the Participant and the Plan Administrator, in such amount and of such kind, whether term, ordinary, endowment or any other type of insurance, immediate or deferred or any other type of annuity, and with such conversion and other provisions, as the Participant shall direct the Plan Administrator in writing to acquire, subject to whatever legal limits apply under the circumstances; provided, however, that the aggregate premiums for any such insurance contract or contracts paid from the account of any Participant shall be less than one-quarter ($\frac{1}{4}$) of the aggregate of the contributions allocated to said Account at any particular time in the case of term insurance and universal life insurance, and less than one-half ($\frac{1}{2}$) of the aggregate contributions allocated to said Account at any particular time in the case of ordinary life insurance (all dividends on any such term or whole life insurance to be applied first to reduce future premiums due on the contract) and that the Plan Administrator shall direct the Trustee to convert the entire value of any such insurance contract at or before the retirement of the Participant to provide periodic income so that no portion of such value may be used to continue life insurance protection beyond his or her or her retirement, or distribute the contracts to the Participant. In addition, the Trustee shall have the power to purchase or accept the assignment of

insurance or annuity contracts on the life of or for the benefit of the Participant in such amounts and of such kind as the Participant shall direct; provided, however, that any such purchase or acceptance shall comply with rules then in effect regarding prohibited transactions. The payment of aggregate premiums for any such contracts shall comply with the preceding provisions of this Section 3.3. Each such insurance or annuity contract shall be segregated to the account of the Participant on whose life or for whose benefit it shall be acquired, but all right, title and interest in each such contract shall be vested in the Trustee, except that the benefits thereunder shall be payable to the Participant and his or her or her beneficiaries in accordance with the distribution provisions of the Plan. All premiums with respect to each such insurance or annuity contract shall be paid from the account of the Participant on whose life or for whose benefit it is held, and said account shall receive or be credited with any dividends or interest on said contract.

The Trustee shall have the power and authority at any time to exercise any of the rights under any insurance contract or annuity contract, acquired or held under any of the provisions of this Section 3.3 in any manner for the purposes and under the provisions of the Plan, including, without limiting the generality of the foregoing, the power at any time to borrow on any such insurance or annuity contract for the purpose of paying premiums thereon, and to surrender or deliver any such insurance contract, in whole or in part, for cash or for conversion into any other insurance contract on the life of said Employee or for the purpose of exercising any option or any other right under said contract; provided, however, that in exercising such power to borrow on such insurance or annuity contracts, the amounts borrowed on such insurance contracts shall bear a uniform ratio to the premiums payable on such contracts and, similarly, the amounts repaid on any loans on such contracts shall bear a uniform ratio to the premiums thereon.

3.4 This Section 3.4 shall control where inconsistent with other Trust provisions. If the Employer so elects in Item 6.11 of the Adoption Agreement, the Plan allows any Participant to direct the investment of his or her interest in the Trust. Consistent therewith, each Plan Participant shall direct the Trustee as to the investment options in which the assets in the Participant's individual accounts shall be invested. Such directions may be made by Plan Participants in such manner as the Plan Administrator directs. If the Trustee fails to receive a proper direction, the assets shall be invested in the default investment option selected by the Plan Administrator until the Trustee receives a proper direction.

(a) Selection of Investment Options. The Trustee shall have no responsibility for the selection of investment options under the Trust and shall not render investment advice to any person in connection with the selection of such options.

(b) Available Investment Options. The Named Fiduciary shall direct the Trustee as to the investment options that will be offered to Plan Participants.

(c) Mutual Funds. Trust investments in mutual funds shall be subject to the limitations described below.

(1) Execution of Purchases and Sales. Purchases and sales of mutual funds shall be made on the date on which the Trustee receives from the Employer in good order all information and documentation necessary to accurately effect such purchases and sales (or in the case of a purchase, the subsequent date on which the Trustee has received a wire transfer of funds necessary to make such purchase).

(2) Voting. The Trustee shall vote the shares credited to the Participant's accounts (both vested and unvested) in accordance with directions from the Named Fiduciary. If the Trustee receives no such directions, the Trustee shall not vote the shares in question. With respect to all rights other than the right to vote, the Trustee shall follow the directions of the Named Fiduciary. The Trustee shall have no duty to solicit directions as to any matter from Participants.

(d) Notes. The Plan Administrator shall act as the Trustee's agent for the purpose of holding all trust investments in Participant loan notes and related documentation and as such shall (1) hold physical custody of and keep safe the notes and other loan documents, (2) collect and remit all principal and interest payments to the Trustee, (3) keep the proceeds of such loans separate from the other assets of the Plan Administrator and clearly identify such assets as Plan assets, (4) advise the Trustee of the date, amount and payee of the checks to be drawn representing loans, and (5) cancel and surrender the notes and other loan documentation when a loan has been paid in full. The Plan Administrator may delegate these duties.

(e) Reliance of Trustee on Directions.

(1) The Trustee shall not be liable for any loss, or by reason of any breach, which arises from any Participant's exercise or non-exercise of rights under this Article III over the assets in the Participant's accounts, except to the extent of the trustee's negligence related thereto.

(2) The Trustee shall not be liable for any loss, or by reason of any breach, which arises from the Named Fiduciary's exercise or non-exercise of rights under this Article III, unless the actions to be taken under the Named Fiduciary's directions were prohibited by the fiduciary duty rules of ERISA Section 404(a) or were contrary to the terms of the Plan or this Agreement.

ARTICLE IV - FUNDING POLICY

The Plan Administrator shall establish and carry out a funding policy consistent with the purposes of the Plan and the requirements of applicable law. The terms of this Trust shall be subject to such funding policy, and any changes thereof from time to time, as the Plan Administrator may, pursuant to the Plan, adopt from time to time. It shall be the duty of the Trustee to act strictly in accordance with such funding policy, and any changes therein, as so communicated to the Trustee from time to time in writing.

ARTICLE V - TRUSTEE POWERS

The Trustee shall have the following powers and authority:

5.1 Subject Section 3.4, to sell, exchange, convey, transfer, or otherwise dispose of any property held in the Trust, by private contract or at public auction. No person dealing with the Trustee shall be bound to see to the application of the purchase money or other property delivered to the Trustee or to inquire into the validity, expediency, or propriety of any such sale or other disposition.

5.2 Subject to Section 3.4, to invest in guaranteed investment contracts and short term investments (including interest bearing accounts with the Trustee or money market mutual funds advised by affiliates of the Trustee or the Employer) and in collective investment funds maintained by the Trustee for qualified plans, in which case the provisions of each collective investment fund in which the Trust is invested shall be deemed adopted by the Employer and the provisions thereof incorporated as a part of this Trust as long as the fund remains exempt from taxation under Code Sections 401(a) and 501(a).

5.3 To cause any securities or other property held as part of the Trust to be registered in the Trustee's own name or in the name of one or more of its nominees, in accordance with Section 2550.402a-1(b) of the U.S. Department of Labor Regulations, and to hold any investments in bearer form, but the books and records of the Trustee shall at all times show that all such investments are part of the Trust.

5.4 To keep that portion of the Trust in cash or cash balances as the Plan Administrator may, from time to time, deem to be in the best interest of the Trust.

5.5 To make, execute, acknowledge, and deliver any and all documents of transfer or conveyance and to carry out the powers herein granted.

5.6 To settle, compromise, or submit to arbitration any claims, debts, or damages due to or arising from the Trust; to commence or defend suits or legal or administrative proceedings; to represent the Trust in all suits and legal and administrative hearings; and to pay all reasonable expenses arising from any such action from the Trust if not paid by the Employer.

5.7 To employ legal, accounting, clerical, and other assistance as may be required in carrying out the provisions of this Agreement and to pay their reasonable expenses and compensation from the Trust if not paid by the Employer.

5.8 To do all other acts although not specifically mentioned herein, as the Trustee may deem necessary to carry out any of the foregoing powers and the purposes of the Trust.

ARTICLE VI - FEES AND EXPENSES

6.1 The expenses incurred by the Trustee in the performance of its duties, including fees for legal services, and such compensation to the Trustee as may be agreed upon in writing from time to time between the Employer and the Trustee, and all other proper charges and disbursements of the Trustee, including any and all taxes assessed against the Trustee or the Trust Fund, shall be paid from the Trust Fund unless paid by the Employer.

ARTICLE VII - TRUSTEE'S DUTIES AND OBLIGATIONS

7.1 The Trustee shall discharge its duties under this Agreement solely in the interest of the Participants in the Plan and their beneficiaries and for the exclusive purpose of providing benefits to such Participants and their beneficiaries and defraying reasonable expenses of administering the Plans, with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, and, subject to Participants' rights to direct the investment of their accounts (if permitted by the Plan), by diversifying the

investments of the Plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, all in accordance with the provisions of this Agreement insofar as they are consistent with the provisions of the Employee Retirement Income Security Act of 1974, as this Agreement and the said Act may be from time to time amended; but the duties and obligations of the Trustee as such shall be limited to those expressly imposed upon it by this Agreement notwithstanding any reference herein to the Plan, or to the provisions thereof, it being hereby expressly agreed that the Trustee is not a party to the Plan.

7.2 The Trustee may consult with counsel (who may be counsel for the Employer or for the Trustee in its individual capacity), and the Trustee shall not be deemed imprudent by reason of its taking or refraining from taking any action in accordance with the opinion of counsel. The Employer agrees, to the extent permitted by law, to indemnify and hold the Trustee harmless from and against any liability that the Trustee may incur in the administration of the Trust Fund, unless arising from the Trustee's own negligent or willful breach of the provisions of this Agreement. The Trustee shall not be required to give any bond or any other security for the faithful performance of its duties under this Agreement, except such as may be required by a law which prohibits the waiver thereof.

7.3 The Trustee shall be entitled, as it may deem appropriate from time to time, to require of the Employer, the named fiduciary or any other person involved in the administration of the Plan or investment of the Trust Fund, or having any interest under the Plan or in, to, or under this Agreement or to the Trust Fund held hereunder, such certifications and proofs of facts as shall permit the Trustee to perform its duties under the Employee Retirement Income Security Act of 1974 (or any regulation thereunder) as may be in effect from time to time, or to exercise the powers granted the Trustee under this Agreement.

ARTICLE VIII - ACCOUNTS AND RECORDS

8.1 The Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder and all such accounts and other records relating thereto shall be open to inspection and audit at all reasonable times by any person designated by the Plan Administrator. Within ninety (90) days following the close of the fiscal year of the Trust Fund and within ninety (90) days after the removal or resignation of the Trustee as provided under Article IX hereof, the Trustee shall file with the Employer a written account setting forth all investments, receipts, disbursements and other transactions effected by it during such fiscal year or during the period from the close of the last fiscal year to the date of such removal or resignation. Upon the expiration of sixty (60) days from the filing of such account, the Trustee shall be forever released, remised and discharged from all liability and accountability to anyone with respect to the propriety of its accounts and transactions shown in such accounts except with respect to any such account or transactions as to which the Employer shall within such sixty (60) day period file written exceptions and objections. To the extent permitted by law, but subject to any express provision of applicable law as may be in effect from time to time to the contrary, no person other than the Employer may require an accounting or bring any action against the Trustee with respect to the Trust Funds or its actions as Trustee.

8.2 Notwithstanding any other provision of this Article VIII, the Trustee shall have the right to have a judicial settlement of the Trustee's accounts, or for instructions in connection with the Trust Fund, the only necessary parties thereto in addition to the Trustee shall be the

Employer and the Plan Administrator. If the Trustee so elects, it may bring in any other person or persons as a party or parties defendant.

ARTICLE IX - TRUSTEE'S REMOVAL OR RESIGNATION

9.1 The Trustee (or any Trustee if there is more than one) may be removed by the Employer at any time upon sixty (60) days notice in writing to the Trustee and the Plan Administrator. The Trustee (or any Trustee if there is more than one) may resign at any time upon sixty (60) days'notice in writing to the Employer. Upon such resignation or removal, the Employer shall appoint a successor trustee and such successor trustee shall have the same powers and duties as those conferred upon the Trustee named in this Agreement. The removal of a Trustee and the appointment of a successor trustee shall be by written instrument delivered to the Trustee.

ARTICLE X - LIMITATION ON TRUSTEE'S LIABILITY

10.1 The Plan Administrator shall administer the Plan as provided therein, and the Trustee shall not be responsible in any respect for administering the Plan nor shall the Trustee be responsible for the adequacy of the Trust Fund to meet or discharge any payments or liabilities under the Plan. The Trustee shall be fully protected in relying upon any written notice, instruction, direction or other communication of the Plan Administrator when signed by the Plan Administrator. The Employer from time to time shall furnish the Trustee with the names and specimen signatures of authorized representatives of the Plan Administrator and officers of the Employer, and shall promptly notify the Trustee of the termination of office of any authorized representative of the Plan Administrator or any relevant officer of the Employer and the appointment of such person's successor. Until notified to the contrary in writing, the Trustee shall be fully protected in relying upon the most recent certification of the Plan Administrator representatives and officers of the Employer furnished to it by the Employer.

10.2 Any action required by any provision of this Agreement to be taken by the Board of Directors of the Employer shall be evidenced by a resolution of the Board of Directors certified to the Trustee by the Secretary or an Assistant Secretary of the Employer, and the Trustee shall be fully protected in relying upon any resolution so certified to it. Unless other evidence with respect thereto has been expressly prescribed in this Agreement, any other action of the Employer under any provision of this Agreement, including any approval of or exceptions to the Trustee's accounts, shall be evidenced by a certificate signed by an officer of the Employer, and the Trustee shall be fully protected in relying upon such certificate. The Trustee may accept a certificate signed by an officer of the Employer as proof of any fact or matter that the Trustee deems necessary or desirable to have established in the administration of the Trust Fund (unless other evidence of such fact or matter is expressly prescribed herein), and the Trustee shall be fully protected in relying upon the statements in the certificate.

10.3 The Trustee shall be entitled conclusively to rely upon any written notice, instruction, direction, certificate or other communication believed by it to be genuine and to be signed by the proper person or persons, and the Trustee shall be under no duty to make investigation or inquiry as to the truth, accuracy, or completeness of any statement contained therein.

ARTICLE XI - AMENDMENT OF AGREEMENT

11.1 The Employer is vested with the right at any time and from time to time by action of its Board of Directors to amend in whole or in part any or all of the provisions of this Agreement, with the exception of Section 2.4 hereof, by an instrument in writing duly acknowledged and delivered to the Plan Administrator and the Trustee, provided that no such amendment which affects the rights, duties, responsibilities or immunities of the Trustee may be made without its consent.

ARTICLE XII - TERMINATION OF PLAN OR TRUST

12.1 This Agreement and the related Trust (which is part of the Plan) may be terminated at any time by the Employer. Upon such termination, or upon the dissolution or liquidation of the Employer, the Trust Fund shall be paid out by the Trustee as and when directed by the Plan Administrator, in accordance with the provisions of Article II hereof.

ARTICLE XIII - APPLICATION OF STATE LAW

13.1 Subject to the provisions of the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time, which may be applicable and provides to the contrary, this Agreement, as amended from time to time, shall be administered, construed and enforced according to the laws of the State of Michigan and in courts situated in that State.

ARTICLE XIV — PROVISIONS RELATING TO MULTIPLE EMPLOYERS

14.1 Special Definitions: If the Plan has been adopted by more than one Employer, the definitions of "Employer Member," "Plan Administrator," and "Primary Employer" set forth in Article XVI of the Basic Plan Document shall apply for purposes of this Trust Agreement.

14.2 Each Employer Member shall pay to the Trustee its Individual Contribution (as determined under the terms of the Plan) in accordance with the provisions of Section 2.1 hereof.

14.3 Each Employer Member hereby expressly acknowledges and agrees that the Employer is vested with certain rights and obligations with regard to amending, terminating, merging and consolidating the Trust under the provisions of the Plan and the other provisions of the Trust, and that those rights and obligations will be vested in the Primary Employer. However, each Employer Member shall have the right to terminate its participation in the Plan at any time, which shall constitute a partial termination of the Trust in accordance with the terms of this Trust Agreement and the Plan.

14.4 Each of the Employer Members shall certify to the Trustee, at such times and in such form as the Trustee may require, the names and specimen signatures of its officers, any named fiduciary, or any other person involved in the administration of the Plan or investment of the Trust Fund, or any other certifications and proofs of facts as may be required in accordance with Section 7.3 hereof.

14.5 Any action required by any provision of this Agreement to be taken by the Board of Directors of any Employer Member shall be evidenced by a resolution of the Board of Directors certified to the Trustee by the Secretary or an Assistant Secretary of the Employer

Member, and the Trustee will be fully protected in relying upon any resolution so certified to it. Unless other evidence with respect thereto has been expressly prescribed in this Agreement, any other action of any Employer Member under any provision of this Agreement, including any approval of or exceptions to the Trustee's accounts, shall be evidenced by a certificate signed by an officer of the Employer Member, and the Trustee shall be fully protected in relying on such certificate. The Trustee may accept a certificate signed by an officer of an Employer Member as proof of any fact or matter pertaining to that specific Employer Member that the Trustee deems necessary or desirable to have established in the administration of the Trust Fund (unless other evidence of such fact or matter is expressly prescribed herein), and the Trustee shall be protected in relying upon the statements in the certificate.

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the City of Lansing ("City") has established the City of Lansing Defined Contribution Plan and related trust (collectively referred to as the "Plan") for the benefit of employees of the City; and

WHEREAS, the Plan is required by the Internal Revenue Service (IRS) to be restated every six (6) years in order to incorporate any plan amendments made within the past six (6) years; and

WHEREAS, the Plan was amended in December, 2012 to include new Plan participants for Teamsters Local 214 Supervisory and Non-supervisory employees and in 2014 to include Teamster Local 243 (formerly Local 580) Supervisory and Clerical, Technical, and Professional employees; 54-A District Court Teamsters Local 243 (formally Local 580) employees; and 54-A District Court Non-bargaining unit employees; and

WHEREAS, the 54-A District Court is an Adopting Employer of the Defined Contribution Plan; and

NOW, THEREFORE BE IT RESOLVED that the Plan restatement as outlined in the Volume Submitter Defined Contribution Trust Agreement and Adoption Agreement 001 filed April 8, 2016 within the City is hereby adopted.

BE IT FURTHER RESOLVED that William Barkyoub, Chairperson of the Defined Contribution Governing Committee, is hereby authorized to execute the Defined Contribution Plan and any documents that are necessary to implement the Plan restatement on behalf of the City of Lansing and the 54-A District Court.



OFFICE OF THE MAYOR

9th Floor, City Hall
124 W. Michigan Avenue
Lansing, Michigan 48933-1694
(517) 483-4141 (voice)
(517) 483-4479 (TDD)
(517) 483-6066 (Fax)

Virg Bernero, Mayor

TO: City Council President Judi Brown Clarke and Councilmembers
FROM: Mayor Virg Bernero
DATE: 4-7-16
RE: Act-3-2016, Sale of Willoughby Park - Placement on August 2, 2016 Ballot

The attached correspondence is forwarded for your review and appropriate action.

VB/rh
Attachment



City of Lansing
Inter-Departmental
Memorandum



To: Virg Bernero, Mayor

From: Susan Stachowiak, Zoning Administrator

Subject: CITY COUNCIL AGENDA ITEM
Act-3-2016, Sale of Willoughby Park - Placement on August 2, 2016 Ball

Date: April 6, 2016

The Planning Board, at its April 5, 2016 meeting, voted (5-0) to recommend approval of Act-3-2016. This is a request by the City of Lansing Parks & Recreation Department to sell Willoughby Park, plus two vacant parcels outside the city limits in Delhi Township (approx. 72.8 acres in all). All three parcels are wooded and undeveloped. The properties are located on the S. side of Willoughby Road

Willoughby Park is a dedicated park. The other two City parcels are located adjacent to the park but outside the city limits. These three parcels are the only City properties located south of Willoughby Road, and are surrounded on three sides by Delhi Township.

Please forward this resolution to City Council for placement on the Agenda.

If you have any questions, or need additional information, please give me a call.

Attachments

SUMMARY

The City of Lansing wishes to sell Willoughby Park, plus two vacant parcels outside the city limits in Delhi Township (approx. 72.8 acres in all). All three parcels are wooded and undeveloped. The properties are located on the S. side of Willoughby Road

EXISTING LAND USE: Willoughby Park, plus vacant land adjacent to park in Delhi Township.

EXISTING ZONING: “A” Residential District (City of Lansing), A-1
Agricultural (Delhi Twp.)

PROPOSED ZONING: No change in zoning.

PROPERTY SIZE & SHAPE: Roughly rectangular. See attached for property layout, comprised of three parcels:

- 33-01-05-16-151-001 – Willoughby Park, City of Lansing, 50-acre “flag lot”, 330’ frontage on Willoughby Road;
- 33-25-05-16-101-003 - Vacant land, Delhi Twp., 10-acre rectangle, 330’ frontage on Willoughby Road;
- 33-25-05-16-101-002 - Vacant land, Delhi Twp., 12.8 acre rectangle, no road frontage.

SURROUNDING LAND USE: N: Residential
S: Residential, agricultural
E: Residential, agricultural
W: Community facilities, residential

SURROUNDING ZONING: N (City of Lansing): A” Residential District
S, W, E (Delhi Twp.): A-1 Agricultural (allows S-F
Residential)

MASTER PLAN DESIGNATION:

The Design Lansing Comprehensive Plan designates that portion of this property located within the City (Willoughby Park) as “Open Space – Dedicated Park”. The Delhi Township master plan designates the other two parcels for “Rural Residential.”

AGENCY REFERRALS

Board of Water and Light:

This project lies within the Board of Water & Light Wellhead Protection Area. Care must be exercised during construction to minimize the exposure of contaminated soils to weather and subsequent loss to the groundwater. Construction machinery should be parked on paved areas when not in use, and leakage of petroleum products and other potential contaminants must be immediately cleaned up and properly disposed of. Newly exposed soil could offer a route for contaminants into local groundwater.

Public Service Department:

- Any impact due to potential redevelopment would be on Willoughby and Washington Roads, which are both under the jurisdiction of the Ingham County Road Department.
- The City does have a sanitary sewer in Willoughby Road. There are no City of Lansing sewers crossing the property.
- The Park was annexed into the City on November 9, 1964, by resolution of City Council per Public Act 279 of 1909. Since the parcel was park land, owned by the City, adjacent to the City, and was vacant with no one residing there, an annexation vote was not required.
- The Alton Drain, which crosses the southern part of the park is the jurisdiction of the ICDC.

In 2005, the City approved a flowage easement over the entire Willoughby Park property to allow the Ingham County Drain Commissioner to use the parkland for managing storm water levels in the area.

Parks & Recreation Department:

The Parks and Recreation Department is the applicant on behalf of the City. The Parks Board will discuss this issue at its April 13 meeting.

CRITERIA

Location. Willoughby Park is a dedicated park. The other two City parcels are located adjacent to the park but outside the city limits. These three parcels are the only City properties located south of Willoughby Road, and are surrounded on three sides by Delhi Township. Lansing residents would have to cross Willoughby Road to reach the property.

Character and Extent. The property is heavily wooded and undeveloped. There are park services, and no paths into the property, essentially rendering it inaccessible to Lansing residents.

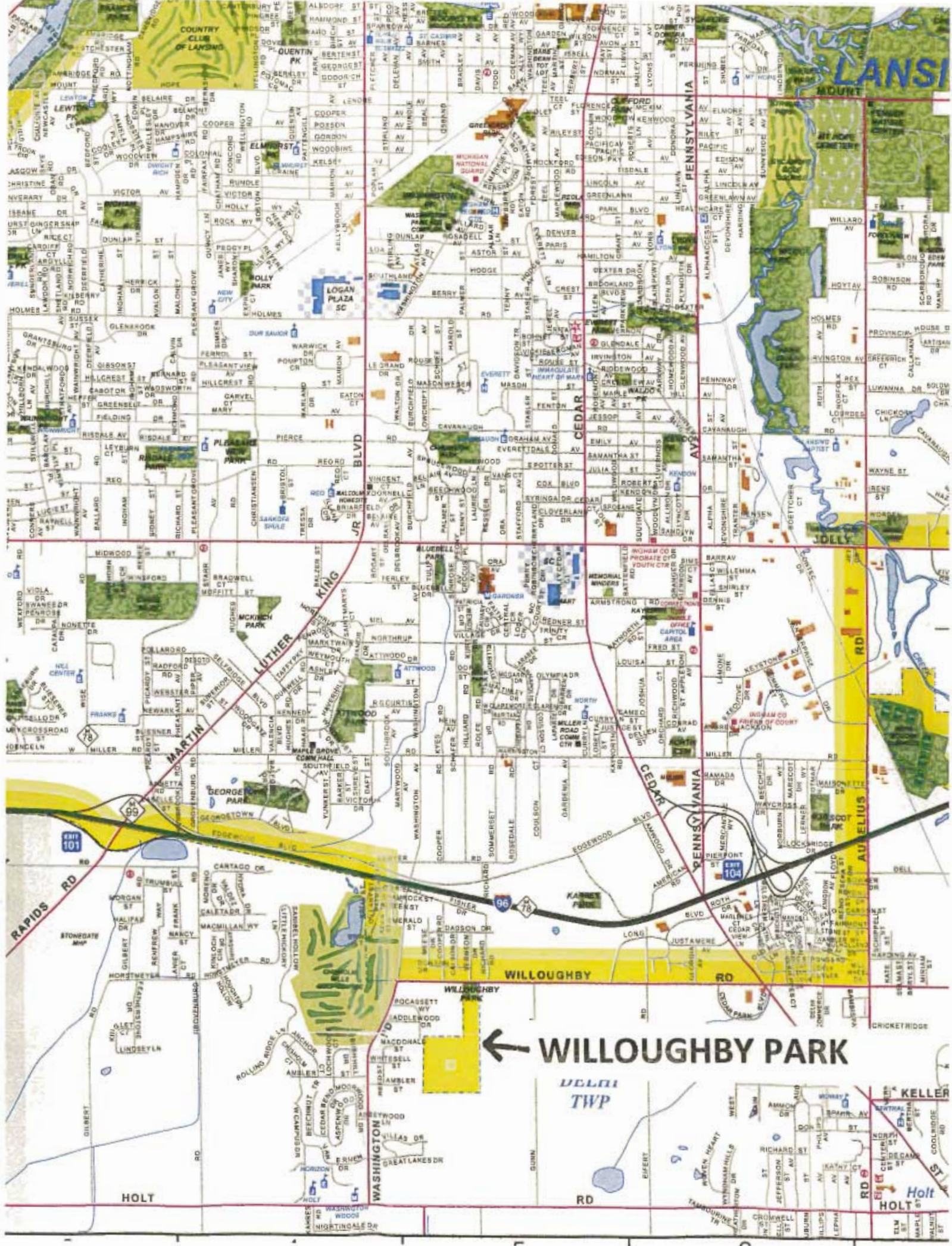
The property has a flat to gently rolling topography. The park has wetlands extending N-S along the west side, and turn eastward along the park's south side toward the Alton Drain at the SE corner of the park. Stormwater currently flows through these wetlands, and a flowage easement for the Ingham County Drain Commission, approved in 2005, will allow this flow to continue and regulate its amount and rate.

STAFF RECOMMENDATION

Staff recommends approval of the following finding and recommendation:

Finding: the property is undeveloped, wooded, wet, and isolated from the remainder of the City, and is not necessary for City operations.

Recommendation: approval of Act-3-2016, the proposal to sell Willoughby Park and the two adjacent City-owned parcels.

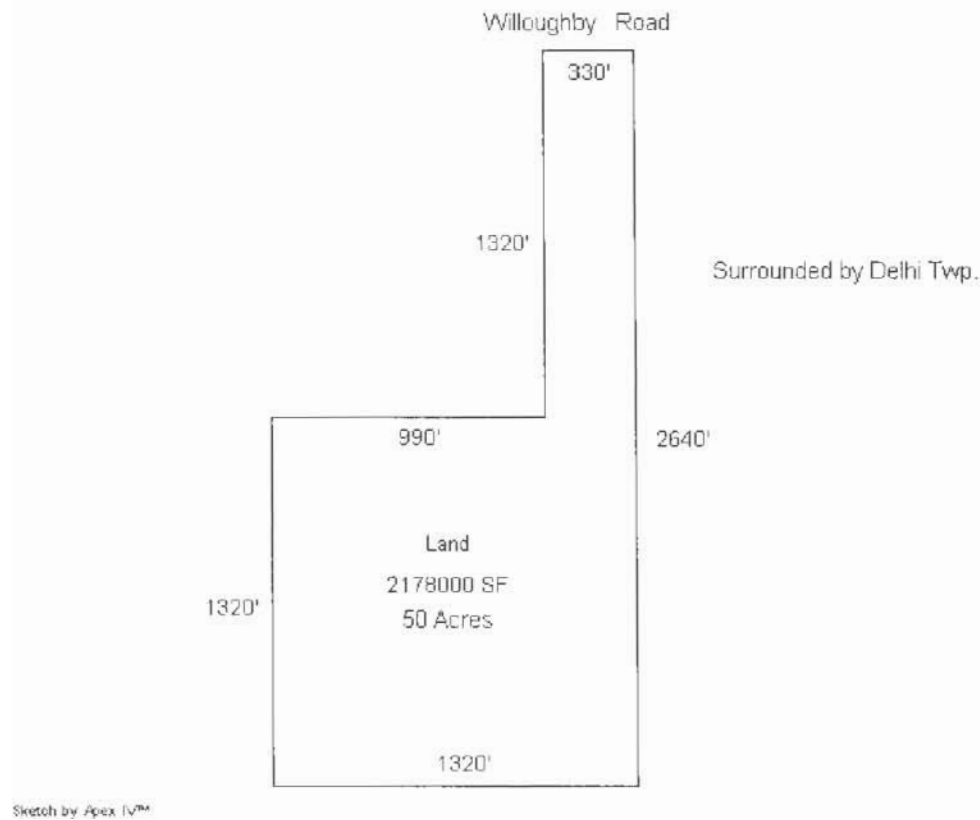


← **WILLOUGHBY PARK**

DELHI
TWP

KELLER
Holt
Holt

Image/Sketch for Parcel: 33-01-05-16-151-001

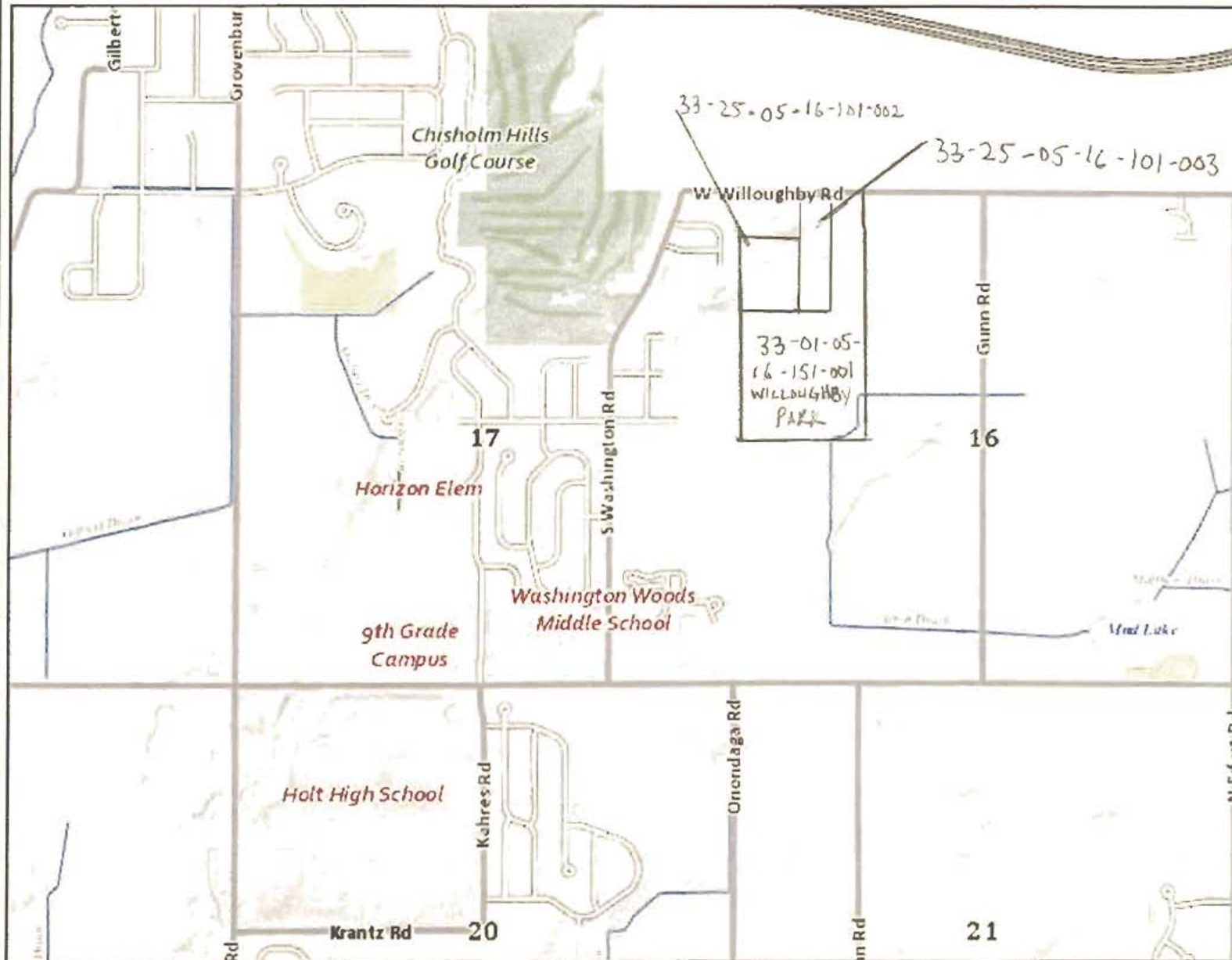


****Disclaimer:** BS&A Software provides AccessMyGov.com as a way for municipalities to display information online and is not responsible for the content or accuracy of the data herein. This data is provided for reference only and WITHOUT WARRANTY of any kind, expressed or inferred. Please contact your local municipality if you believe there are errors in the data.

Copyright © 2016 BS&A Software, Inc.

Property Map

Delhi GIS



Legend

1 inch = 1,548.5 feet



0 1,150 2,300 4,600 Feet

This map is intended for use as general township wide planning and there are no warranties that accompany this product. The Township recommends users of the map to confirm the data used in this map by visual inspection of the geographic area. The township is not liable for decisions made with the use of this product.

Map Source: Delhi Charter Township
Map Printed: Tuesday, March 22, 2016



Notes:



WILLOUGHBY PARK



W Willoughby Rd

W Willoughby Rd

N Gunn Rd

N Gunn Rd

Willoughby
Park

WILLOUGHBY PARK

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

Act-3-2016, Sale of Willoughby Park – Placement on August 2, 2016 Ballot

WHEREAS, the City of Lansing Parks and Recreation Department proposes the sale of Willoughby Park, plus two vacant parcels outside the city limits in Delhi Township (approx. 72.8 acres in all); and

WHEREAS, these parcels are comprised of:

- 33-01-05-16-151-001 – Willoughby Park, City of Lansing, 50-acre “flag lot”, 330’ frontage on Willoughby Road,
- 33-25-05-16-101-003 - Vacant land, Delhi Twp., 10-acre rectangle, 330’ frontage on Willoughby Road,
- 33-25-05-16-101-002 - Vacant land, Delhi Twp., 12.8 acre rectangle, no road frontage; and

WHEREAS, all three parcels are wooded and undeveloped and are the only City-owned parcels located south of Willoughby Road; and

WHEREAS, the Design Lansing Comprehensive Plan designates that portion of this property located within the City (Willoughby Park) as “Open Space – Dedicated Park”, and the Delhi Township master plan designates the other two parcels for “Rural Residential”; and

WHEREAS, by Resolution #118 of 2005, the Lansing City Council approved a flowage easement over the entire Willoughby Park property to allow the Ingham County Drain Commissioner to use the parkland for managing storm water levels in the area; and

WHEREAS, the Parks Board met and discussed the sale of these properties in the context of the disposition of other Park properties; and

WHEREAS, the sale of the parcels is in the best interest of the City because it would result in revenue from the sale, and from the Willoughby Parcel being placed on the City of Lansing tax roll; and

WHEREAS, Section 8-403.6 of the Lansing City Charter and Ordinance 208.10 require sale of park land be approved by the voters of the City of Lansing; and

WHEREAS, Willoughby Park is listed as a 50-acre City park in the parks inventory resolution (#0145 of 1981); and

WHEREAS, at its meeting on April 5, 2016, the Planning Board found, based on a review of the location, character, and extent of the Act-3-2016 proposal, that:

- the properties are undeveloped, wooded, wet, and isolated from the remainder of the City, and are not necessary for City operations,
- the sale of the Willoughby Park parcel is subject to approval by Lansing voters; and

WHEREAS, the Planning Board voted unanimously (5-0) to recommend approval of Act-3-2016, the proposal to sell Willoughby Park and the two adjacent City-owned parcels located in Delhi Township; and

WHEREAS, the Committee on Development and Planning has reviewed the report and recommendation of the Planning Board and concurs therewith;

NOW THEREFORE BE IT RESOLVED, the Lansing City Council hereby approves Act-3-2016, and authorizes the proposal to sell the Willoughby Park to be submitted to the electors of the City of Lansing for approval as required by Section 8-403.6 of the City Charter at the election to be held on August 2, 2016.

BE IT FURTHER RESOLVED that said proposal be submitted to the electors of the City in manner and form substantially as follows:

SHALL THE CITY OF LANSING BE AUTHORIZED TO SELL OR OTHERWISE DISPOSE OF THE PROPERTY KNOWN AS WILLOUGHBY PARK, DESCRIBED AS:

E 10 A OF NW 1/4 OF NW 1/4 ALSO SW 1/4 OF NW 1/4 SEC 16 T3N R2W

YES ____
NO ____

BE IT FURTHER RESOLVED that the votes cast upon the proposal shall be counted, canvassed, and returned, and the results determined in the same manner as required for other electoral questions as prescribed by law.

BE IT FURTHER RESOLVED that the City Clerk is required to provide sufficient notice of the placement of this ballot proposal, in conformance with state election law, including to the County Clerk and is hereby authorized to take appropriate steps for the placement on the August 2, 2016 ballot.

BE IT FINALLY RESOLVED that if the sale or disposal of the Parcel is approved by the voters of the City of Lansing, and if the Administration subsequently negotiates an agreement for that purpose, that such sale or disposal, and appropriation of net proceeds, shall be returned to the Lansing City Council for final approval.

Recommended FY 2017 Budget Policies

In accordance with the State Uniform Budget and Accounting Act (Public Act 2 of 1968), the City of Lansing's annual appropriations, as set forth in the annual budget resolution, shall be made in accordance with Generally Accepted Accounting Principals (GAAP) and shall apply to all funds except internal service funds, debt service funds, permanent funds, and trust and agency funds.

The City's fiscal year is July 1 through June 30. In accordance with the City Charter, on or before the fourth Monday in March, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. No later than the third Monday in May, the Council adopts the budget and sets the property tax rates for the ensuing fiscal year.

Appropriations are set forth in the annual budget resolution. Authority to transfer between appropriations is dictated by City Charter; however, additional administrative budget transfer authority is granted for the following instances. The Administration is requested to submit to Council quarterly reports of such transfers.

Wastewater Funds – the transfer residual State Revolving Fund (SRF) loan and/or bond proceeds between projects and project segments.

Flood Control – the transfer of funds for flood control and/or storm sewer purposes to address flooding or unanticipated storm sewer maintenance needs.

Major and Local Street (Act 51) Funding – Transfer authority is not limited by departmental allocation, and administrative authority is included for appropriation of MDOT special authorization funding.

Parking System – the transfer of capital project accounts from operating accounts is permitted to meet bid or unforeseen capital needs.

Debt Service Funds – the transfer of residual balances between general obligation bond debt service accounts.

In addition, administrative authority is granted for the transfer of wage and fringe benefit reserves to departmental budgets upon settlement of a collective bargaining agreement.

Carryforwards

Authority is granted to reappropriate available capital project balances as of June 30, 2014 into the FY 2015 budget. All non-capital balances require City Council approval to carryforward, except for encumbered (purchase order) obligations less than \$5,000 and not more than 8 months old.

General Fund Reserve Policy

The City's General Fund reserves consist of the General Fund fund balance and the Budget Stabilization Fund. Use of and contributions to the Budget Stabilization Fund are dictated by Ordinance section 218.05.

The targeted unrestricted balance for the combination of the General Fund fund balance and the Budget Stabilization Fund is a minimum of 12% of General Fund expenditures and a maximum of 15% of General Fund expenditures. If events necessitate that the combined balances drop below 12% of General Fund expenditures, annual appropriations of a minimum of \$500,000 will be made until the 12% target is reached. In the event that combined reserves are projected to exceed 15% of General Fund revenues, the excess amount will be used to supplement retiree healthcare prefunding.

Debt Management

Appropriations are made to adequately fund annual debt service obligations. Adherence will be made to required debt service reserves, where applicable, as well as to the provision of annual disclosures as required by outstanding bond obligations.

Investment Policy

Management of cash investments is governed by the City's investment policy and in accordance to State statute, with the objective being the maximization of return on the City's governmental funds through pooling of funds where appropriate and permitted, monitoring of interest rates and fee structures. Investments of the Employee Retirement System, the Police and Fire Retirement System, and the VEBA, are governed those respective boards and dictated by their respective investment policies.

Strategic Planning and Budget Development

In working toward the goal of the incorporation of strategic planning into the budget process, this next year, Administration is encouraged to work towards developing a multi-year budgeting process. This process should align the City's master plan, strategic goals, and performance metrics to short-term and long-term budget priority-setting by Council in accordance with Financial Health Team recommendations.

RESOLUTION #2015-129

	FY 2016 <u>Proposed</u>	Council <u>Changes</u>	FY 2016 <u>Adopted</u>
Women's Historical Center - Exterior Siding	90,000		90,000
Citywide Maintenance & Repair	160,000		160,000
Transfer to Cemeteries Fund	425,800		425,800
Transfer to Golf Fund	518,350		518,350
Total Appropriations	1,664,150	-	1,664,150

BE IT FINALLY RESOLVED, that the following policies are hereby established for the 2015/2016 fiscal year:

FY 2016 Adopted Budget Policies

In accordance with the State Uniform Budget and Accounting Act (Public Act 2 of 1968), the City of Lansing's annual appropriations, as set forth in the annual budget resolution, shall be made in accordance with Generally Accepted Accounting Principles (GAAP) and shall apply to all funds except internal service funds, debt service funds, permanent funds, and trust and agency funds.

The City's fiscal year is July 1 through June 30. In accordance with the City Charter, on or before the fourth Monday in March, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. No later than the third Monday in May, the Council adopts the budget and sets the property tax rates for the ensuing fiscal year.

Appropriations are set forth in the annual budget resolution. Authority to transfer between appropriations is dictated by City Charter; however, additional administrative budget transfer authority is granted for the following instances. The Administration is requested to submit to Council quarterly reports of such transfers.

Wastewater Funds – the transfer residual State Revolving Fund (SRF) loan and/or bond proceeds between projects and project segments.

Flood Control – the transfer of funds for flood control and/or storm sewer purposes to address flooding or unanticipated storm sewer maintenance needs.

Major and Local Street (Act 51) Funding – Transfer authority is not limited by departmental allocation, and administrative authority is included for appropriation of MDOT special authorization funding.

RESOLUTION #2015-129

Parking System – the transfer of capital project accounts from operating accounts is permitted to meet bid or unforeseen capital needs.

Debt Service Funds – the transfer of residual balances between general obligation bond debt service accounts.

Vacancy Factor/funded and unfilled Positions - The budget includes an attrition vacancy allowance of \$800,000. The Administration is requested to provide Council on July 1, 2015 and every month, thereafter, a list of vacant positions by department. The Administration is also requested to provide, on a quarterly basis, a detailed list by Department of all positions by title, FTE, wages and fringes, and impact on programs and/or services which are included within this allowance. The personnel wages and fringes associated with all positions identified above as of July 1, 2015 and any such position vacated, thereafter, shall be placed in a budget control account, and will require City Council approval for expenditure.

In addition, administrative authority is granted for the transfer of wage and fringe benefit reserves to departmental budgets upon settlement of a collective bargaining agreement.

Carryforwards

Authority is granted to reappropriate available capital project balances as of June 30, 2015 into the FY 2016 budget. All non-capital balances require City Council approval to carryforward, except for encumbered (purchase order) obligations less than \$5,000 and not more than 8 months old.

• Human Services and Community Supported Agencies Funding

The plan for funding Agencies submitted to Council designate particular Agencies. If any agency does not apply for or use their funding, all funds will remain in their respective account(s) for additional appropriation and approval by Council for Human Services and Community Supported Agencies use pursuant to the Charter transfer authority. The Administration/Human Relations Community Services Department is requested to submit to Council a quarterly report on the status of the Human Services and Community Supported Agencies' funding. This report should include the accounting level detail appropriation; amount spent, balance, and a notation as to whether the balance of funds is expected to be spent by the end of the Fiscal Year; if not, why?

General Fund Reserve Policy

RESOLUTION #2015-129

The City's General Fund reserves consist of the General Fund fund balance and the Budget Stabilization Fund. Use of and contributions to the Budget Stabilization Fund are dictated by Ordinance section 218.05.

The targeted unrestricted balance for the combination of the General Fund fund balance and the Budget Stabilization Fund is a minimum of 12% of General Fund expenditures and a maximum of 15% of General Fund expenditures. If events necessitate that the combined balances drop below 12% of General Fund expenditures, annual appropriations of a minimum of \$500,000 will be made until the 12% target is reached. In the event that combined reserves are projected to exceed 15% of General Fund revenues, the excess amount will be used to supplement retiree healthcare prefunding.

Debt Management

Appropriations are made to adequately fund annual debt service obligations. Adherence will be made to required debt service reserves, where applicable, as well as to the provision of annual disclosures as required by outstanding bond obligations.

Investment Policy

Management of cash investments is governed by the City's investment policy and in accordance to State statute, with the objective being the maximization of return on the City's governmental funds through pooling of funds where appropriate and permitted, monitoring of interest rates and fee structures. Investments of the Employee Retirement System, the Police and Fire Retirement System, and the VEBA, are governed those respective boards and dictated by their respective investment policies.

Strategic Planning and Budget Development

In working toward the goal of the incorporation of strategic planning into the budget process, this next year, Administration is encouraged to work towards developing a multi-year budgeting process. This process should align the City's master plan, strategic goals, and performance metrics to short-term and long-term budget priority-setting by Council in accordance with Financial Health Team recommendations.

Civil Actions, Claims, and Damages

Whenever a claim is made or any civil action is commenced against the Mayor, a City Council member, a non-bargaining unit employee, or a Lansing retirement board trustee (collectively in this provision "the Employee") for damages caused by an act or acts of the Employee within the scope of his or her authority and while in the course of his or her employment with the City or his or her duties on behalf of the retirement board, the City will pay for, engage, or furnish the services of an attorney to advise the Employee as to the claim and to appear for and represent the Employees in the action. If the City

RESOLUTION #2015-129

Attorney does not provide the attorney services, the attorney selection shall be made by the City Attorney in the manner the City Charter requires. The City may compromise, settle, and pay a claim before or after the commencement of any civil action. Whenever any judgment for damages caused by the act or acts of the Employee covered under this provision is awarded against the Employee as the result of a civil action, the City will indemnify the Employee or will pay, settle, or compromise the judgment. The City's obligations under this provision, however, is contingent upon the Employee giving prompt notice of the commencement of the action and upon the Employee cooperating in the preparation, defense, and settlement of the action. The term "scope of authority" under this provision does not include any act or acts of Employee (i) fraud, (ii) dishonesty, (iii) willful, intentional, or deliberate violation of the law or breach of fiduciary duty, (iv) criminal act, or (v) traffic violation; nor does this provision abrogate or diminish governmental immunity.

Grants

The Administration shall present to Council every application for any grant and, upon notification of the award of a grant, shall submit the grant to Council for acceptance. Administrative authority is given to create the necessary accounts and transfers in accordance with the requirements of the grantor. Any grant that can be applied for administratively should be submitted for Council review within 10 days of the application.

Board of Water & Light

After much deliberation, the intent of Council is to allocate funds not to exceed \$200,000 for an audit of the BWL by an external agency. Bench marks, duties and scope of services shall be determined by the administration and Council on or before July 1, 2015, with an anticipated start date on or before September 1, 2015. Once the administration identifies and vets an external audit agency, the selection process shall be forwarded to Council for final approval by a three-fifths vote (3/5) of its members. The selected external audit agency identified by the Administration shall report regularly to both the Administration and Council regarding findings in the areas including but not limited to: strategic planning, project management, facilities, emergency planning and preparations, revenue and expenditures, personnel utilization, capital improvements, holdings, rates, and the overall welfare of the publicly held utility.

At the conclusion of the one year contract of the selected external audit agency both Council and the Administration shall review in earnest the work, findings and necessity. At which time a determination is to be jointly made by both bodies as to the need for additional contracts or the desired future. Any monies of the \$200,000 account not used for the external audit agency go to the rainy day fund.

Ad Hoc Committee on Housing

Council establish an Ad Hoc Committee on Rental and Land Contract Housing conditions for the purpose of conducting a City-wide outreach, group facilitation,

RESOLUTION #2015-129

surveys, and public input process to engage renters, refugees, people with disabilities, low-income residents, landlords and other residents in meaningful discussions and development of solutions to address rental housing conditions in Lansing. This Ad Hoc Committee must be established by August 1, 2015 and have four (4) Council Members named to the Committee and invited members of interested groups to providing discussion on rental property re-inspections and unregistered rental property investigations, pending determination by a citywide community engagement process to lift up the voices of people affected by poor housing conditions.



6/5/2015
2:56:39 PM

SIGNED BY
CHRIS SWOPE
LANSING CITY CLERK

RECEIVED

XV B 3

APR 07 2016

LANSING CITY COUNCIL

2753 Hagadorn Road
Mason, MI 48854
April 4, 2016

Lansing Parks Board
Lansing City Council ✓
Lansing Board of Water and Light

I am writing to urge the city to reject the Board of Water and Light's proposal to build a substation on what is currently a park – the Scott Park sunken gardens. It seems unreasonable for the BW&L to take over a garden that was, as I understand it, donated by the Scott family. Has the utility negotiated with General Motors? Immediately to the south of the Scott property are acres of GM surface parking lots, and what appears to be an abandoned Oldsmobile headquarters. Surely there are more appropriate places to site a utility substation – like unused or underused industrial property.

Last week I took a walking tour of Scott Park and adjacent Women's Historical Museum. Before the construction of I-496, those properties were part of a neighborhood. They stood next to the Olds mansion – now demolished. The highway left the remaining property isolated. In the years since, the property has been neglected. The immediate impression is that most of land on the two properties is taken up with very poorly maintained driveways and parking lots. But at the same time, I see potential. A landscape planner or architect would redesign the entrance to the two properties to maximize greenspace and minimize blacktop. I don't think it would take that much to turn the space into an attractive and restful small urban park. In addition, the Scott house could be converted into a venue of community events.

If the BW&L is allowed to put a substation on the property, the gardens will be lost forever and the adjacent park will be greatly diminished.

I grew up in the city of Lansing. My dad still lives in the house I grew up in on the city's west side. I work downtown. I am no longer a Lansing resident; I live in Alaiedon Township.

Seventeen years ago the Alaiedon Township board was subject to a recall effort by residents who objected to a "PA 425" shared services agreement between the township and the city of Lansing – an agreement that allowed Jackson National Life to build its current headquarters on Okemos Road. I supported the township board against the recall. The defeat of the recall election helped insure that Jackson National Life remained in the Lansing area.

The fight to keep Jackson National Life was a regional community effort. Parks are also regional assets. I urge you to hold onto your parks, value them, maintain them, and improve them – for the city and for all residents of greater Lansing. Don't turn parkland into an industrial site.


William E. Hamilton